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Heads Farm Scientists

Dr. Robert D. Sinclair, Dean of Agriculture at University of Alberta, next month takes over as president of the Agricultural Institute of Canada, whose 2,100 members in 23 branches co-operate in improving the standards of agriculture as a profession and in making known current developments in the scientific and general fields of agriculture. (For personality sketch, see page 6.)

THE NATION'S BUSINESS

This Is Real Progress In Right Direction

Two important steps toward closer economic co-operation between the United States and Canada were taken last week. While neither in themselves were spectacular they were both in the right direction. It is in this gradual fashion, and not in some overnight impractical move like immediate customs union, that real progress will be made in integrating the productive capacity of this continent.

First official word has come from Washington that the U. S. Government has at last recognized the Canadian claim that our 8% domestic sales tax should not be included in the duty valuation of goods when exported to the United States.

Over a period of years this matter has been a bone of contention between businessmen and American officials. The point is simply this: here is a purely domestic tax which is not in any way applicable to goods sold for export. Yet U. S. customs authorities have insisted in adding the value of this tax.

Now, without fanfare, the authorities in Washington have issued an interpretation which decides that this tax need no longer be included for valuation purposes.

The other related event is a resolution approved by an important group of Canadian and American businessmen to create "a permanent committee to study, analyze and report" on "restrictive and arbitrary practices and interpretations of their respective customs tariff and administrative procedures" by Canada and United States.

The resolution was approved by an organization known as the Joint Canada-U. S. Committee, representative of both the United States and Canadian chambers of commerce. As a result both bodies have now moved to create this permanent body.

It is accepted fact that Canada must find ways and means of increasing her sales to United States. It is also well known to most Canadian businessmen that delay, uncertainty, arbitrary valuations and other restrictive border practices greatly hamper what chances of trade now exist.

It is important that the United States has now shown evidence of good faith in getting to work at this problem. It is important also that a group of influential businessmen have indicated their desire to make their contribution in getting this situation righted.

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Another Probe Sheer Waste

A report from Ottawa suggests that a Royal Commission will be appointed to take over the prices investigation when the special parliamentary committee now handling this matter is adjourned. It's to be hoped that the Government turns down any such proposal. It would be wasteful and wholly unnecessary.

The present committee under Chairman Paul Martin has done a good job. It has not unearthed any spectacular evidence of excess profits, contrary to the hopes of Mr. Coldwell and his followers but it has put a curb on the reckless charges of profiteering those gentlemen were so freely making. It has also performed a useful function in enlightening the public on some of the real factors that go to make up present high costs and prices.

There is no reason to believe that a Royal Commission with a long-drawn-out and expensive investigation could do any more. The famous Stevens price spread enquiry of the early 'thirties cost the Dominion treasury almost a quarter of a million dollars and Canadian business and other interests which sent representatives to appear before it, probably two or three times that sum in money and time lost. A repeat of that performance, particularly following the present investigation, would be sheer waste.

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Mr. Atkinson of The Star

The most outstanding fact about the career of Joseph E. Atkinson, who died this week, is that his great material achievements were the product of personal resourcefulness and enterprise. The newspaper publishing house he built up, which has been estimated as worth $10 to $20 millions when he died, was an outstanding example of the individual opportunity system which for decades The Star daily decried.

Joseph Atkinson started in a $6 a week job. He came up "the hard way." His great chance came when a group of what the Star this week called "influential financial magnates" bought the struggling young Star for a song and put Mr. Atkinson in charge. In time, he got control of the paper. He borrowed money to buy the shares and his note was guaranteed by one of his associates. In time he became one of the richest of "influential financial magnates."

The career of this strange, retiring man provides an example of what can be done by personal drive and business genius. The sincerity of his zeal for social reform, of his interest in the underprivileged, of his humanitarian concern for minority groups is not challenged.

But seldom, in his long journalistic career, did Mr. Atkinson credit other successful business men with motives as high as his own. Day by day, in subtle intonation of headlines and editorial phrase, he tried to build up, in the public mind, the idea that business success and malefaction are synonymous. The more he attacked business achievement, the greater his own wealth grew.

Such was the lifetime contradiction of his astonishing and dynamic career.

Who'll Pay the Increase In Basic Steel Prices?

Revision of Government Steel Subvention and Subsidy Program Raises Major Point of Higher Subsidies or Higher Costs to Consumer

OTTAWA (Staff) — Negotiations are under way here looking towards an increase in basic steel prices and a revision of the present government steel subvention and subsidy program. One of the important cost increases which is presently being absorbed by the Government in respect of subsidized tonnage, is the 21% increase in freight rates which went into effect on April 8.

Whether or not the entire increase in costs which has accumulated in recent months will be passed on to consumers or whether some of the increase will be reflected in higher subsidy costs is not yet known.

In the new 1948-49 government estimates, subsidy payments to steel companies are listed at $3 millions. The corresponding figure a year ago was $15 millions.

How Interchange Works

It is unlikely that the actual cost of subsidy and subvention payments in 1947-48 will exceed $9 millions. This is because of an important change in policy negotiated last autumn under which the previous over-all subsidy based on total tonnage was replaced by a new policy based essentially on the amount of "interchange."

Interchange is the word used to describe the tonnage which is artificially moved into Central Canada in order to maintain Canadian steel production at maximum tonnage. Put another way, if left to its own devices, Dosco, for example, could sell a large volume of tonnage at high prices in export markets. But this would leave big operators like Steel Company of Canada with insufficient ingots, etc., to run their plants at full capacity. The government therefore subsidizes an "interchange" of pig iron, ingots, billets, etc., between Canadian mills to ensure 100% production.

Tonnage is Reduced

In the case of Algoma Steel, the old arrangement was calculated on over-all tonnage of something like 70,000 tons monthly whereas the present plan covers only 18,000 tons of "interchange." Inclusive of the present allowance for 21% increase in freight rates, the present rates of subsidy for Algoma on this smaller tonnage are approximately $4.84 a ton freight subvention and $7.46 a ton subsidy.

For Dosco, the interchange tonnage now eligible for subsidy is about 15,000 tons monthly against net over-all tonnage under the previous arrangement of close to 60,000. The rate of subsidy has also been cut substantially and is currently about $6 a ton, plus the 21% freight rate increase. In all, the total payments by the government under this subsidy are about a third of what they were formerly.

The present arrangement for Dosco went into effect Jan. 1 and the Algoma plan on Nov. 13. In whatever new arrangement is worked out within the next few weeks the present principle of a subsidy payable only on interchange and not on over-all tonnage will be used.

148,000 Tons Newsprint For UK Under ERP

Supply on 50-50 Basis From Canada, Nfld. but Depends on $ Position

MONTREAL (Staff) — ERP is likely to have little effect on shipments of Canadian or Newfoundland newsprint. A statement last week by ECA Administrator Paul Hoffman cleared up what promised to be a complex situation. According to Hoffman, Canada and Newfoundland will ship 148,000 short tons of newsprint to United Kingdom July 1. (While this is the tonnage allocated, the amount taken by U. K. will still depend on availability of U. S. dollars.)

Since this tonnage starts from July 1, it is thought likely that U. K. will take the 50,000 tons previously contracted for during the first six months of 1948. On this basis total shipment for the eighteen-month period Jan. 1, 1948, to July 1, 1949, would come to 198,000 tons.

If the proportion to be supplied by Canadian mills follows the same pattern as in the past two years, approximately 50% will come from Newfoundland and 50% from Canada.

Last year Canada supplied 55,550 tons out of 115,000 tons shipped by the two countries. Prior to the passing of ECA Britain had scaled down its newsprint imports for 1948 to 112,000 tons.

According to the ECA administrator, the newsprint for U. K. would be supplied under the present 10-year contract with Canadian and Newfoundland mills. Thus newsprint made available to U. K. by ERP dollars does not represent any new contractual obligation on the part of Canadian or Newfoundland mills.

PRICES

Farm prices in the U. S. will drop by one third "within the next few years even with favorable conditions" according to Secretary of Agriculture Clinton Anderson. While that is by no means the unanimous view everyone is keeping a close eye on grain futures markets to see what happens once the May futures come off the market.

At midweek May wheat and corn showed little change from the previous week's level of prices.

May wheat closed Tuesday at $2.43¾—down on the previous Tuesday's $2.46.

May corn was up—at $2.25 as compared with $2.21½.

In both cases prices were down from mid-April levels.

On the commodity front the trend was up in cottons, down in rubber, steady in hides, down in sugar, cocoa and coffee.

May cotton was up to 37.83 at Tuesday's close as compared with 37.34 Tuesday a week ago.

May rubber went down in the same period from 23.25 to 22.95.

June hides were steady at 28.75.

July sugar was down from 4.80 to 4.55.

May coffee was down from 20.62 to 20.22.

May cocoa dropped from 31.13 to 28.65.

For the Canadian housewife in the past week it was largely a case of gaining on the swings and losing on the merry-go-round.

In fruits and vegetables many declines were reported as the supply situation improved.

Asparagus at midweek was down on Toronto wholesale market to $3.50-$4 per 11-qt. basket from $3.75-$4.75 at midweek last week.

Radishes dropped from $1.50-$2 to 50c-60c.

Cabbage was down from $3-$3.25 to $2.50-$2.75 per 50-lb. bag.

Rhubarb was down from $4 to 60c-75c.

B. C. cauliflower still fetched $7.75-$8.

Spinach remained at $3.50-$4 per bushel.

Potatoes were slightly up. New

(Continued on page 3, col. 5)

Will Housing Costs Decline in 1948?

Local Demand Remains Barometer, Post Survey Shows, With Declines Reported in Some "Building Weakness" Cities

By CLIVE H. CHATTOE

What's going to happen to Canadian housebuilding costs in 1948?

A Financial Post 8-city survey shows that wherever building volume weakened in recent months, costs have followed suit. Calgary, Regina and Halifax are examples of building weakness followed quickly by 5% to 10% decline in over-all cost of house and apartment construction.

This pretty clearly seems to mean that construction now is extremely sensitive to the demand level, that any substantial darkening of economic weather on even a local scale could be expected to knock hundreds of dollars off the cost of producing a house.

For most of Canada, however, that time is not yet. "Building weakness" cities are few and demand generally is greater than it was last spring. Thus, the postwar housebuilding boom, which seemed to be tottering a few short months ago, has taken on a new term of life. How long it will last nobody knows, just as nobody knows how long this continent and country can stay on the "high and stable" level of production and expansion.

House Costs Mount

Here are some of the survey's salient findings:

1. Montreal, Toronto, Edmonton and Vancouver are leaders in the revived building boom.

2. Housebuilding costs in the "building weakness" cities of Regina, Calgary and Halifax are reported from 5% to 10% lower than a year ago. But continued rise is reported for Toronto (15% to 20% in the twelvemonth), Montreal, Vancouver, Edmonton and Winnipeg.

3. Look for quick reflection of recent freight rate increase in cost of most materials; some—but no quick, or great—improvement in availability of nails resulting from the proposed shutdown of some wire fence machines announced this week by Reconstruction Minister Howe. Materials generally are in better supply and costly waiting delays reduced. But prices have risen something like an average 15% since last spring.

4. Canada's third-round building wage increase pattern begins to look something like 10% to 12% across the board. Montreal leads with 18%. Strangely enough, in view of their lack of buoyancy in building, Regina and Halifax are near the top with average 12% and 10% increases. The rest follow a fairly uniform 10% to 12%.

5. Individual productivity in the building trades has risen "substantially" since last summer in Winnipeg, Regina, Calgary and Vancouver, but not in Halifax, Montreal, Toronto or Edmonton.

How Much Profit?

Do housebuilding costs reflect an "all the market will bear" philosophy?

They do in Vancouver and maybe elsewhere if the opinion of one of that city's major housebuilders can be credited. Said he this week, contributing to The Post's building survey: "There wouldn't be much trouble in cutting $1,500 from a $9,000 house if builders and workmen would be satisfied with a little less profit."

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Here's the city-by-city picture of trends in building volume, cost, supply prices and on-site wages:

Halifax—Volume down 10%; over-all cost down more than 5% in twelvemonth since Apr. 30, 1947. Main reason: Fewer buyers at present prices. Consensus sees continued decrease in local volume, further weakening in costs and prices. "For housebuilding in the Maritimes at least, this is more than a mere leveling off period."

Materials are in better supply locally, excepting mainly steel water pipe, iron soil pipe, cement, and concrete blocks, for which deliveries are shrinking. Decline in demand may largely offset higher freight rates and 1947 prices "probably will hold" through 1948.

Maritime Wage Rise?

Wages for 1948 now before conciliation, with consensus seeing 7% to 10% across-the-board rise despite warning drop in housebuilding demand. About 80% of housebuilding labor unionized. Meanwhile, rates of 1947 applicable and these for eight representative trades average 50% above 1939. Builders' Exchange says housebuilding wages now represent 35% of cost of $8,000 house. Offering no noticeable rise in individual productivity since 1946, plumbers and team-fitters now ask 31 cents an hour increase; all other trades a blanket 25% hike. Local AFL Trades & Labor Council has refused contractors' offer of 44-hour week against present 40. No building trade strike in 20 years.

Montreal — With an all-time record 4,800 new apartments and houses under construction at March 31, the municipalities of Montreal Island show better than a 75% gain in physical volume of housebuilding over spring 1947. Maclean Building Reports puts value of residential contract awards in the opening quarter at $12 millions, up 107% from a year ago, and Quebec province at $16.4 millions, up 141%.

Costs rise since April, 1947, is estimated in building circles at between 10%-15%. Nobody here expects weakening in over-all cost of building in 1948. For materials, most estimators set the new 21% hike in freight rates squarely against recent saving from higher production and consequent speedier delivery. And all here who work with builders are resigned to yet higher wage rates on construction job sites.

Lumber supply and prices are easing in this locality. But plumbing supplies and equipment, other iron and steel products for housing are much tighter than a year ago. Also in the "tight supply and rising price" category are concrete blocks, cement, brick, nails, gypsum wallboard.

Biggest saving in labor costs in recent months has been through faster delivery of mate-

(Continued on page 7, col. 1)

Flour Mills Must Appear Before Combines Act Head

Companies Invited to "Show Cause" Why They Should Not Be Named — Report to Parliament Soon

MONTREAL (Staff)—Canadian flour milling companies have been notified by the Combines Investigation Act Commissioner that they may now appear before him to show cause why they should not be named as having acted against the public interest and in restraint of trade under the terms of the Act.

This notification is taken to mean that the Combines Commissioner, Fred A. McGregor has completed his investigation and is now prepared to report to Parliament that a combine exists in this industry. Before such a report may be made, the Combines Act requires that the industry as a whole or companies individually be given the right to be heard.

Although no word has yet been received as to the date of these final hearings, it is expected the hearings will be held in Ottawa soon. In all probability the companies individually and the national association will be represented by counsel to make representations on points of law. It is not expected that company officials will appear.

Such representations are understood to be made invariably in camera; as a rule, only those close to a particular industry or company know that such hearings are being held. In this case, publicity was given to the investigation into the flour milling industry when questions were asked before the Commons Prices Committee.

So far as can be learned here, there is no expectation that the hearings in Ottawa will change the situation so far as publication of a report on the industry is concerned. The word here is that the Combines Investigation Commissioner has determined to report that a combine exists in the flour milling trade.

The coming hearings will probably provide a sort of full-dress rehearsal of what is expected to be a long-drawn and highly contentious legal argument before the end is reached. It is believed that the milling companies are prepared to give battle royal to the Combines Act authorities, in respect of any charges laid against them.

Has De Havilland Turned Postwar Conversion Corner

Orders on hand and a rising tempo of activity generally in the aircraft industry indicate that de Havilland Aircraft of Canada may have rounded the difficult postwar conversion corner.

Diversification in manufacture of several proved aircraft types, reconditioning and maintenance operations, and close association with the world - wide English parent organization — de Havilland Aircraft Company, England — is beginning to pay off. The company will show a profit this year as against a sizeable deficit last year. Next year should be better still, a company official informs The Financial Post.

Here's the company outlook by planes:

Chipmunk: Brightest feather in de Havilland cap is the adoption of the company's Canadian-designed and built Chipmunk as the official aircraft for the RAF Volunteer Reserve Force. Because of current currency restrictions the parent company has taken over supervision of tooling-up operations for manufacture of the Chipmunk in England. The RAF order calls for manufacture of close to 1,000 machines. The Canadian company will profit substantially on a per unit charge basis. It is anticipated that adoption of this type by the RAF will result in sharply expanded sales for the Canadian company. Recent orders from India and Ethiopia will likely mean sale of some 50 Chipmunks.

Beaver: Some 36 of these Canadian-designed and bush-type planes have been sold to the provinces of Ontario, Manitoba and Saskatchewan and private companies. Present plans are to turn out 50 by year end. The landplane sells for $22,000.

Mosquito: The Chinese Government has arranged to purchase all available Mosquitos in Canada. This means around 250 planes. De Havilland has the contract for preparing planes for shipment (including knock-down of ready-to-fly planes) and reassembly in China.

Canso: de Havilland has reconditioned well over 50 Canso's. Current work is on a six-plane contract for the RCAF for air-sea rescue work. More orders are indicated.

Vampire: This is a jet-propelled fighting plane manufactured by the parent company in England and assembled and serviced by the Canadian company. Twenty-two have been delivered so far. Eighty-five in all will be delivered.

Harvard: The company has only 10 of these left and they are being reconditoned for the Dutch Government.

An additional 150 employees have been taken on since the first of the year and complete staff now numbers around 750.

Inside News

How Fares France?

Where does France stand, industrially, economically, politically and socially, on the path toward recovery? Ronald A. McEachern, editor of The Financial Post, reports the scene as he found it on his visit to Europe; tells of a growing desire for closer integration of industry between Britain, France, Belgium and Holland (p 15).

What's Good Stock Buy?

What stocks would you choose for security and capital appreciation over the next three years? The Financial Post analyzes the position of another stock which leading brokerage and investment houses rated as among the 20 best buys from such a viewpoint (p 16).

He Sells Success

From immigrant at five years, to one of Canada's most promising industrial designers at 35, is the true-life story of a man who has made his own business a success by helping others to succeed (p 19).

New Markets in U. S.?

What big new markets for Canadian goods, can be opened in the United States, and how? Representative Canadians discuss this timely topic, in answer to a Financial Post questionnaire (p 13).

Steel Splits Socialists

British Columbia buyers are meeting a welcome reception in London. Proposed nationalization of the steel industry has split the Socialist Cabinet and the Trade Unions of the old land; and a compromise may result, by which the state will take over the industry, but leave its operation in the hands of its present owners. London Calling, by Adelphi (p 28).

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How Much Tax on New Cars?

Price Breakdown Shows How Much Ottawa Gets

When the heavy excise tax was put on cars last November, the government made it clear that the objective was to discourage the purchase of new automobiles.

Today, six months later, the objective as far as the excise tax is concerned is as far away as ever. There has been a drop in sales but only because import controls have kept United States-made cars out.

Canadian-made cars are selling like hot cakes despite increased prices. Instead of falling off as was expected, sales of Canadian cars are holding firm.

This sales buoyancy has surprised even the most optimistic in the industry. When the tax was slapped on it was freely predicted that it would be the break which would slow up demand and let supply catch up.

Today when you buy a car, you're paying anywhere from $338 (on the cheapest car) up in sales and Excise tax (See table below). But demand is as great as ever.

Taxes Worry Industry

However, the industry is concerned about the effect of the Excise tax in pricing even the cheapest car out of the reach of a large section of the buying public.

In his annual address to shareholders recently Ford of Canada President D. B. Greig called the tax "an onerous and discriminatory burden upon those who have a real need for an automobile."

"Effective import controls," he added, "have removed the last vestige of need for an excessive excise tax as a means of conserving U. S. dollars."

With others, Ford of Canada urged Ottawa to lift the tax. Eventually, Greig stated the tax will result in dwindling demand and inevitably, in reduced employment. The industry's main argument at present, however, is that the tax is unnecessary and discriminatory.

The Post is told that the Government is mainly concerned with effect of the tax on the Canadian economy. Its reply to the industry was said to have been: "Show us figures to prove that the tax is creating unemployment and we'll do something about it. Until then, No.

To show just how much of the price you pay for a car is taxes, The Post obtained the following breakdown of some car prices. The first column is the list retail price at the factory without the 8% sales tax or the Excise tax; the second, the amount of these two taxes; the third, the total including taxes. Prices do not include extras of any kind.

	Retail at factory without taxes $	8% sales and excise tax $	Retail at factory inc. taxes $
CHEVROLET			
Stylemaster 2-door	1,324	338	1,662
Stylemaster 4-door	1,397	356	1,754
Fleetmaster 2-door	1,400	357	1,758
Fleetmaster 4-door	1,469	375	1,845
Fleetline 2-door	1,429	364	1,794
Fleetline 4-door	1,493	381	1,874
CHRYSLER			
Royal 4-door	1,900	549	2,450
Windsor 4-door	2,041	612	2,654
DESOTO			
Custom 4-door	1,952	572	2,525
DODGE			
Deluxe 2-door	1,338	350	1,689
Deluxe 4-door	1,400	366	1,766
Spec. Deluxe 2-door	1,424	370	1,795
Spec. Deluxe 4-door	1,475	384	1,859
Custom 4-door	1,756	485	2,241
7 Passenger Sedan	2,150	668	2,818
FORD			
Deluxe 2-door	1,300	339	1,639
Deluxe 4-door	1,360	354	1,714
Super Del. 2-door	1,355	353	1,708
Super Del. 4-door	1,415	368	1,783
MERCURY			
118" 4-door	2,065	645	2,710
MONARCH			
118" 4-door	2,100	661	2,761
OLDSMOBILE			
2-door	1,642	437	2,080
4-door	1,693	450	2,143
PONTIAC			
Fleetleader 2-door	1,363	348	1,711
Fleetleader 4-door	1,435	366	1,801
Fl'tleader Spec. 2-d.	1,459	372	1,831
Fl'tleader Spec. 4-d.	1,528	390	1,918
Torpedo Six 2-door	1,580	409	1,990
Torpedo Six 4-door	1,649	440	2,090
Torpedo Eight 2-door	1,644	438	2,082
Torpedo Eight 4-door	1,715	470	2,186
PLYMOUTH			
Deluxe 2-door	1,325	347	1,672
Deluxe 4-door	1,386	363	1,750
Spec. Deluxe 2-door	1,408	366	1,774
Spec. Deluxe 4-door	1,458	379	1,838
STUDEBAKER			
Champ. Deluxe 2-dr.	1,714	433	2,148
Champ. Deluxe 4-dr.	1,747	448	2,196
Champ. Regal Del. 2-d.	1,791	469	2,261
Champ. Regal Del. 4-d.	1,825	484	2,310
Comm. Deluxe 4-d.	2,082	592	2,675
Comm. Regal Del. 4-d.	2,208	650	2,859
Comm. Regal Del. Land Cruiser	2,394	735	3,130

Pace of Business

Best stock action of the week was in pulp and papers, selected industrials and western oils. The Montreal paper average added almost 10 points and closed near the highest level since January. At early midweek Dow-Jones industrial average was back at previous 1948 high and giving indications of making a fresh try at the 1947 resistance point of 186.85.

Operating revenues of Canadian railways at $59.713 millions in February were 11.8% over similar month of 1947, and near the 1944 record for the month of $59.740 millions. Freight revenues increased 14.1%, but passenger revenue dipped 2.8%.

Motor vehicle financing moved sharply upward in March when 12,657 units were financed for $11,689,147 (8,120 for $7,071,083 in March, 1947). Financing of used vehicles jumped to 7,866 units for $5,060,818 in March, an increase of 70% in numbers and 111% in financed value over March, 1947.

Life insurance sales in Canada and Newfoundland at $104.6 millions in March, showed a fractional increase over corresponding month last year. Figures are for new ordinary life insurance only.

Crude petroleum and natural gasoline output totaled 779,841 bbls. in February, 1948, up from 777,583 in January, and 543,510 in February, 1947.

Canadian wheat stocks in store and transit in North America totaled 72,634,023 bus. at April 29, off from 76,391,439 at April 22 and 93,996,576 same date last year.

Refinery stocks of raw sugar amounted to 89,932,385 lb. on Apr. 17, an increase of 10.6% over similar date in 1947. Refined sugar stocks totaled 120,324,918 lb., a drop of 26.2%.

Seed crops represented a total value of $11.6 millions in 1947, off 10% from $12,917,000 in 1946. Hay and pasture seed represented bulk of crop value in both years.

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FIRM OF CHARTERED ACCOUNTANTS in Toronto has opening for recent graduate. Prospects for advancement good. Applicants are requested to state age, qualifications, experience and salary required. Applications will be treated in confidence. Box 262, The Financial Post, Toronto.

SECURITY SALESMAN wanted to underwrite a new industrial issue, opportunity for permanency in the company, replies confidential. Box 261, The Financial Post, Toronto.

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IN LARGE TRACT of wooded land in the beautiful Rideau Lake district. Electric light and water system, full three piece bathroom, hot and cold water, eight buildings including main house, large boat house, sleeping cabins, etc. Excellent condition. Long shore line. Reply Box 258 The Financial Post, Toronto.

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RETIRING?

TWO AGGRESSIVE, intelligent young men, good Sales, Advertising and Executive Background both wholesale and retail. Late model cars, moderate capital. Willing to undertake all or part management of going concern eventually assuming full ownership. Telephone LO. 3891 or Box 260, The Financial Post, Toronto 2.

AGENCIES WANTED

DANISH ENGINEER

VISITING THE TRADE FAIR 1-10 June desires connection with a firm in the building industry regarding a Danish insulation material. N. Buus, Norregade 22, Copenhagen K., Denmark.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Alberta Government—F. G. Cope, chief inspector, Industrial Relations Board.

Bongard & Co. (Toronto)—Maitland D. McCarthy, a partner.

Bathurst Power & Paper Co.—R. H. Christian, secretary-treasurer.

Canadian Jewelers' Association—D. E. Hutchison (Vancouver) president.

Canada Steamship Lines Ltd.—J. A. Eccles, J. A. Mathewson, directors.

Canadian Car & Foundry Co.—Lyle C. McCoy, a director.

Canadian Marconi Co.—W. Victor, broadcasting manager (Montreal).

Canada Malting Co. (Montreal)—Eric S. Clarke, president and managing director; Carr Hatch, vice-president in charge of sales.

Canadian Pacific Railway Co.—Chas. F. Gardner, auditor of passenger receipts; C. H. Maughan, assistant auditor; D. W. Clapperton, solicitor, Alberta district.

Canadian Association for Health, Physical Education and Recreation—A. S. Bird (Edmonton) president.

Canadian Manufacturers' Association (Alberta Branch)—E. E. Peterson (Calgary), chairman; R. C. Ellison (Lethbridge), vice-chairman.

Cockfield Brown & Co.—Arthur Jones, chairman, Toronto office plan board.

Canadian Manufacturers' Association (Prairie Division)—Leroy Johnson (Moose Jaw), chairman.

Canadian Westinghouse Ltd.—A. P. Craig, vice-president.

Chrysler Corp. of Canada—R. W. Rushbrooke, assistant superintendent, automobile manufacturing plant; F. J. Cowell, assistant superintendent, motor manufacturing plant; Stan Fortier, superintendent, body division; S. W. Aiken, production superintendent.

Canadian Pacific Express Co.—K. H. Newinger, general agent, Winnipeg; J. H. Cummins, district representative, Calgary; P. Simpson, district representative, Saskatoon.

Canadian National Railways—Geo. Keep, inspector of investigation, British Columbia; Geo. T. Cripps, assistant superintendent, Edmundston division; J. A. P. Gaudet, assistant superintendent, Rimouski and Matapedia subdivisions; C. A. Berube, superintendent, Campbellton division; P. W. Caldwell, assistant superintendent, Campbellton division; Robt. Pirrie, assistant general freight agent, Toronto.

Canadian Institute of Plumbing and Heating—Gerald H. Dixon (Montreal) general manager.

Consolidated Specialties Ltd. (Hamilton)—T. D. Blair, secretary-treasurer; P. J. Martin, accountant; F. T. Smye, assistant sales manager.

Council of Canadian Purchasing Agents Association—H. D. Caplan (Montreal) president.

Canada Wire & Cable Co.—O. W. Titus, general manager.

Canadian Ordnance Association—Douglas W. Smith, assistant general manager.

Carlile & McCarthy Ltd.—Gordon R. Bongard, a director.

Canadian Wine Institute—A. G. Sampson, president; Earl A. Thomas, vice-president; Col. Fred Marsh, secretary; G. M. Kavanagh, B. A. Sanderson, J. L. Kingsborough, J. C. Goldsmith, directors.

Crane Ltd.—James Irwin Robinson, president.

Dominion Government — H. M. Kennedy (Winnipeg), air attache to Canadian embassy, Belgium.

Donald Ropes & Wire Cloth Ltd.—S. H. Green, a director, and assistant to general manager; R. A. Johnson, general sales manager.

Dominion Steel & Coal Corp.—W. E. Bown, a vice-president.

Great Lakes Paper Co.—A. G. Walwyn, a director.

Geoffrion, Robert & Gelinas (Montreal)—P. Armand Brisebois, J. Donet Marcotte, associates.

Imperial Oil Ltd.—Frank Hall, a vice-president; M. L. Haider, a director.

Industrial Acceptance Corp.—Paul W. Franck, branch manager, Fort William.

John Labatt Ltd. — Jack Church, sales representative, Mimico, Oakville, Georgetown areas.

London Life Insurance Co.—A. Walling Ruby, Toronto district mortgage supervisor.

Walter M. Lowney Co.—Norman Holland (Montreal) a director.

Montreal Trust Co.—J. M. Taylor, manager Calgary office.

Minneapolis-Honeywell Regulator Co. (Toronto)—Chas. I Wilson, sales representative, aero and railway controls division.

National Terminals of Canada Ltd.—Harry F. Walker, manager.

National Office Management Association (Montreal Chapter)—J. C. Gilmer, president; D. B. Larke, vice-president; R. C. Ludlow, secretary.

Provincial Transport Co. (Montreal)—H. J. Curtis, vice-president and general manager; E. B. Hollomby, treasurer.

Quebec Labor Relations Board—Judge L. C. Pelletier, chairman.

Robinson, Little & Co. (Winnipeg)—R. E. Schwartz, W. R. Findley (both of Winnipeg), L. M. Collins (Toronto), G. E. A. McCain (Montreal) directors.

Rubberset Co.—J. T. Keenan, sales promotion manager, Western Canada (Winnipeg).

H. Simon & Sons Ltd. (Montreal)—Arthur Simon, chairman of board; Edward Simon president; Harry A. Simon, Mark W. Simon, vice-presidents; Norman M. Tenser, secretary and a director.

Seven Up of Montreal Ltd.—Reginald J. Perry, director, secretary and manager.

Southern Canada Power Co.—Geo. L. Rattee, commercial manager.

Harold F. Stanfield Ltd.—Allan T. Gowe, manager Toronto Office.

Thorp-Hambrock Co. (Windsor)—Bryce Rohrer, salesman, Windsor - Chatham - London - Sarnia - St. Thomas territory.

Toronto General Trusts Corp.—Fred A. Wansbrough, manager, Winnipeg office.

United States Fidelity & Guaranty Co.—W. R. Craig, assistant manager, Montreal.

Utah Electronics Co. of Canada—D. W. Partridge (Montreal) a director.

Universal Cooler Co. of Canada—Dan Robertson, general manager for U. S.; Howard Gray, general manager for Canada.

Windsor Coal & Ice Co.—J. Len Wilson, general manager.

G. H. Wood & Co. (Toronto)—Chas. R. Cornell, manager, publicity and public relations division.

Walsh Advertising Inc. (Montreal)—Jean Roy, a director.

News of Advertising

McKim Advertising Ltd. announces number of appointments, headed by that of Paul S. Peak as manager of the Toronto office. He resigned as group advertising manager for Odhams Press, London, Eng., to accept position. Other appointments: D. C. L. Linton head of media department; creative department, T. W. Blakely, chief of copy division, and J. Milton Hanes, chief of art division; W. G. Angus, J. H. Bedford, R. L. P. Cameron, and I. S. Wallace, all of the Toronto office staff, are advanced to senior account executive positions; E. B. Phair and F. G. Garner to account executive positions; Miss M. E. Ball head of the women's merchandising division; A. M. Lawrence, transferred from Winnipeg and Montreal to Toronto office staff as account executive.

* * *

Allan T. Gowe has become manager of the Toronto office of Harold F. Stanfield Ltd.; was formerly a senior account executive of McKim Advertising Ltd., and has had 17 years experience in advertising, merchandizing, and sales promotion.

* * *

J. Walter Thompson Co. has early June as launching date of campaign for Anthracite Institute, research and educational organization of Pennsylvania anthracite industry. Newspaper advertising to consumers (820 and 640 line advertisements on a bi-weekly basis for balance of year, with frequency stepped up in September and October) will be supported by trade paper advertising to dealers. A major copy theme: "No cold homes next winter for Pennsylvania anthracite users." Summer insertions stress early "fill-up." Methods of securing maximum results from anthracite fuel and equipment will be explained. Dealers will get instructional material to mail to consumers. Fifteen-minute slide film presentations are designed to help coal dealers merchandize heater conditioning, thermostats, and anthracite stokers.

* * *

The James Fisher Co., recently appointed to handle advertising of Haig & Haig Ltd., is now releasing 1948 campaign, featuring famous old Scottish castles (Glamis, Edinburgh, Balmoral, etc.) Illustrations are in open line, engraving style technique to ensure good newspaper reproduction. Newspaper series are 82 lines by 2 columns; magazines, one-third pages in black and white, half and two-third pages in two colors.

* * *

Another award has been established by the Association of Canadian Advertisers. It's a silver medal to be awarded at the annual ACA convention next fall to the person in the graphic arts field making an outstanding service to advertising. Similar silver awards are already given in advertiser, agency, and media divisions, as well as the top-ranking gold medal given to the one person whose contribution is judged most outstanding of all.

This year's awards committee, just named, is headed by Neil Powter of the Howard Smith Paper Company. L. E. Phenner is another ACA representative; A. E. Hall is for the Poster Advertising Association of Canada, N. Roy Perry, Periodical Press Association; Ken Soble, Canadian Association of Broadcasters, Adam J. Smith, Canadian Association of Advertising Agencies, W. J. Campbell, Canadian Daily Newspapers' Association, and R. M. Bean, Canadian Weekly Newspapers' Association.

* * *

James Lovick & Co. Ltd. announces opening of Toronto office at 11 Jordan St. This agency has head office at 535 Homer St., Vancouver, and branch office at 506 Maclean Block, Calgary

* * *

Vickers & Benson Ltd. directs new series of advertisements being placed in daily newspapers and financial papers by Dunlop-Canada, illustrating various uses of "Dunlopillo," latex foam cushioning, in furniture, mattresses, transportation, etc.

* * *

Ronalds Advertising Agency Ltd. appointed to direct advertising of Jeyes' Fluid, household disinfectant well known in British Isles. Jeyes' Sanitary Compounds Co. Ltd., Essex, England, is manufacturer, and J. M. Inwood, Canadian distributor. Advertising plans for other products manufactured by this company are also being considered.

* * *

Stanley J. Izon has joined Kenyon & Eckhardt Ltd. as production manager. He was formerly of Vickers & Benson Ltd., served five war years with the Royal Canadian Navy.

* * *

Ottawa's Advertising and Sales Club elected Graeme Fraser, sales manager of Crawley Films Ltd., its president for 1948-49. Lyn Baker, Moore Business Forms, is past president; John M. Garland of John M. Garland Son & Co. Ltd., vice-president; James Moir of Addressograph-Multigraph of Canada Ltd., secretary; and D, S. Fraser, City Hall, treasurer. Committee chairmen include George Gowling, Jerry Kendall, Wilson Cooper, and Earl Valley.

* * *

Vickers & Benson Ltd. has just released magazine and newspaper campaign for Unxld 448, insect repellent based on formula developed by U. S. Navy. Part of name is explained by fact that this was 448th of 3,000 compounds tested for efficiency. Manufactured by Unexcelled Chemical Corp. in the United States, Unxld 448 is being distributed in Canada for first time by Vreeland & Co., Toronto.

* * *

Schneider, Cardon Ltd appointed to direct advertising for Canadian Speaker Corp. Ltd., Montreal, makers of automotive specialties and accessories. Instructions are going out to a wide list of automotive trade papers; plans are being prepared for consumer advertising.

* * *

O'Brien Advertising Ltd. is handling many-pronged campaign to launch new one-pound carton of Economy Sausage Co. Ltd. Following two weeks of teasers on painted bulletin boards, the introductory campaign is now unfolding in greater Vancouver area via painted bulletins, newspapers, outside car cards, transcribed flash radio, and direct mail to meat markets presently handling Economy sausage in bulk.

WHEN to BUY and WHEN to SELL

The bulletin "MARKET ACTION & INVESTMENT OUTLOOK" is issued once a week. It does not give you a lot of "ifs, ands or buts", and reasons why such and such a stock is attractive or otherwise.

It tells you EXACTLY WHAT TO DO.

In order to prove to you that we have what you want, we will send you a copy FREE. Simply write for Bulletin FP

Wetsel Market Bureau, Inc.

(Incorporated 1928)

EMPIRE STATE BUILDING, NEW YORK

Streamlined Customs Act Strong Bargaining Weapon

May Help Speed Operation of Geneva Agreement – Minister's Arbitrary Powers Ended, and Appeal Path Cleared

OTTAWA (Staff)—A complete housecleaning and streamlining of the Canadian Customs Act is contained in Bill 229, now before the House of Commons.

The changes proposed to do two things:

1. Revise the Canadian Act to conform with the new proposed Geneva Agreement.

2. Remove, with one exception, all the arbitrary clauses of the present act. (By eliminating Ministerial authority, this makes direct appeal to the Canadian Tariff Board possible in almost every situation which may arise.)

The new proposals are more sweeping than anything that has happened to the Customs Act in a decade or more. Though there may not be very great changes in practice, the form and indeed the substance of the Act has been quite drastically revised and overhauled.

May Be Bargaining Weapon

No date is set for the bringing into force of these changes, because of uncertainty as to when the United States and other countries will implement the Geneva Agreement around which much of the Canadian revisions are built. But there is a disposition here to argue that quite apart from the Geneva obligation (which Canada signed) the proposed changes should be brought into effect in any event. Parliament may debate whether this step would strengthen Canada's position, or whether we should withhold putting the change into force, as a bargaining weapon, which might help ensure U. S. compliance.

First major change in the act is an entirely new valuations clause (35) which repeals present clauses 35, 36 and 36-a in order to bring Canadian Customs law into conformity with Article VII of the Geneva Agreement.

The new wording follows:

"35. (1) Whenever any duty ad valorem is imposed on any goods imported into Canada, the value for duty shall be the fair market value of such or the like goods when sold for home consumption in the ordinary course of trade under fully competitive conditions, in like quantities and under comparable conditions of sale at the time when and place whence such goods were exported by the vendor abroad to the purchaser in Canada; or, except as otherwise provided in this Act, the price at which the goods were sold by the vendor abroad to the purchaser in Canada, exclusive of all charges thereon after their shipment from the place whence exported direct to Canada, whichever may be greater.

"(2) When the fair market value of any goods is not ascertainable under subsection one, the value for duty of such goods shall be the nearest ascertainable equivalent of such value.

"(3) When neither the fair market value nor the equivalent of such value can be ascertained the value for duty shall be the actual cost of production of similar goods at date of shipment to Canada, plus a reasonable addition for administration, selling cost and profit.

"(4) The value for duty shall not include the amount of any internal tax applicable within the country of origin or export from which the imported goods have been exempted or have or will be relieved by means of refund or drawback."

Curtail Arbitrary Powers

Another highly important change is elimination of the important "arbitrary powers clauses" of the Act. One of the most important of these (now tossed into the discard) is Section 41 of the present act. Among other things, this section presently gives arbitrary valuation powers to the Minister on goods whose value for duty purposes is difficult to determine.

Under this act as it now stands, when goods are sold or imported "under any other unusual or peculiar manner or conditions, the Minister may determine the value for duty of such goods." In the same section the Minister is adjudged by law to be "the sole judge as to the existence of all or any of the causes or reasons aforesaid."

The chief remaining arbitrary powers clause will be Section 43. This prescribes that when a report is made to Cabinet by the Minister that " goods of any kind are being imported into Canada . . . under such conditions as prejudically or injuriously to affect the interests of Canadian producers or manufacturers," the Minister may be authorized to fix what is deemed to be a fair market value for such goods.

The only change proposed in this section, is removal of the present limitation which prevents this clause from being applied except to goods "not entitled to entry under the British preferential tariff or any lower tariff."

Appeal Procedures Changed

Another revision is to clean up an obsolete section of the Act which provided for appeal from an appraiser's or collector's decision as to value, to a board of three persons to be named "ad hoc." Since this provision is now virtually archaic, there is now clear and direct permission to appeal directly to the Dominion appraisers and to the Minister or the Deputy Minister. (The Deputy Minister is to be named a dominion appraiser under the new act.)

The new important section on appeals is a rewritten version of section 49, providing for direct appeal to the Canadian Tariff Board.

In view of the substantial removal of arbitrary powers and ministerial discretion, this clause becomes highly important. It permits appeal within 60 days from any decision of the Deputy Minister on a wide range of matters, and gives new uniformity and a formalized appeal procedure.

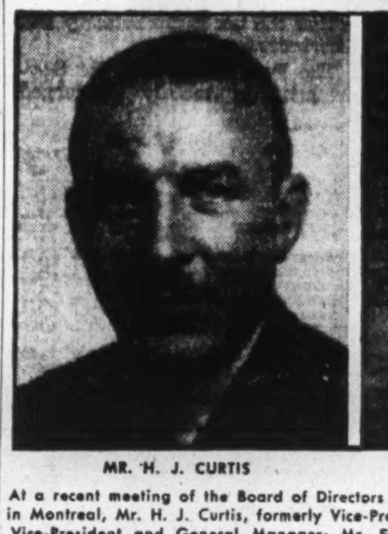
AGENCY WANTED CALGARY

Partnership having well located, established office in Calgary would like to secure suitable agency from Manufacturer.

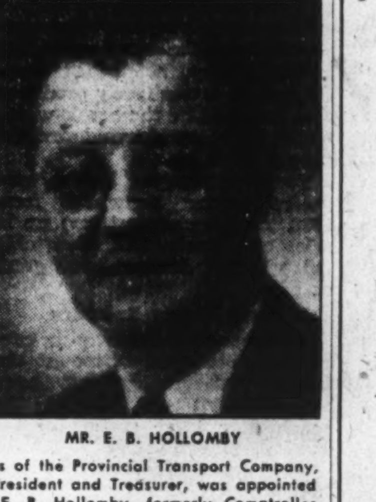
Reply Box 241

The Financial Post, Toronto

PROVINCIAL TRANSPORT PROMOTIONS



MR. H. J. CURTIS



MR. E. B. HOLLOMBY

At a recent meeting of the Board of Directors of the Provincial Transport Company, in Montreal, Mr. H. J. Curtis, formerly Vice-President and Treasurer, was appointed Vice-President and General Manager; Mr. E. B. Hollomby, formerly Comptroller, was appointed Treasurer. *

DON'T SELL THOSE BONDS!

"MY BANK" TO A MILLION CANADIANS B of M

IF YOU ARE SHORT OF CASH...

arrange a low-cost loan at the B of M.

You saved a long time for those bonds. Don't let your investment go now . . . you'll find it hard to replace.

At the B of M you can borrow against your bonds *quickly and easily*—and repay your loan in easy instalments. The low interest rate will surprise you.

Ask us for details today.

BANK OF MONTREAL

working with Canadians in every walk of life since 1817

Is Your Business for Sale?

Advertiser is interested to purchase for cash established going business (or controlling interest in same) which can show a record of profitable years. Deals involving over quarter million dollars preferred but smaller companies will be considered if record and prospects especially good. Preliminary contacts may, if desired, be made through your auditor or lawyer, but please give informative outline as kind of business, its age, net worth, average net earnings, in your first communication.

BOX 256,

THE FINANCIAL POST TORONTO, ONT.

AGENCIES WANTED

MONTREAL SALES ORGANIZATION having sound connections with the Hotel, Restaurant and Catering Industry, wishes additional manufacturers (food) lines. A-1 references and immediate results assured.

Box 247,

The Financial Post, Toronto

APPRAISALS

of buildings and equipment

INSPECTION EXPEDITING

of buildings, materials and machinery during construction.

CHAS. WARNOCK & CO. LTD.

Montreal MA. 3777 Toronto AD. 8842 Hamilton 2-4173

25th Anniversary offer New Subscribers only 40 Weeks of "TIME"

Pay only $3.42

Newsstand value 8.00

YOU SAVE $4.58!!

For a limited time only. Rush name and address (please print) with money order for $3.42 to: Subscription House Reg'd, Box 60, Delorimier Station, Montreal, P.Q.

ACTUARY WANTED

Have opening for young man with Associate Actuarial Degree. Opportunity to become Actuary of Company if satisfactory. Apply stating experience, age, marital status, references, and salary expected to

Fidelity Life Assurance Company

REGINA, SASK.

$200,000

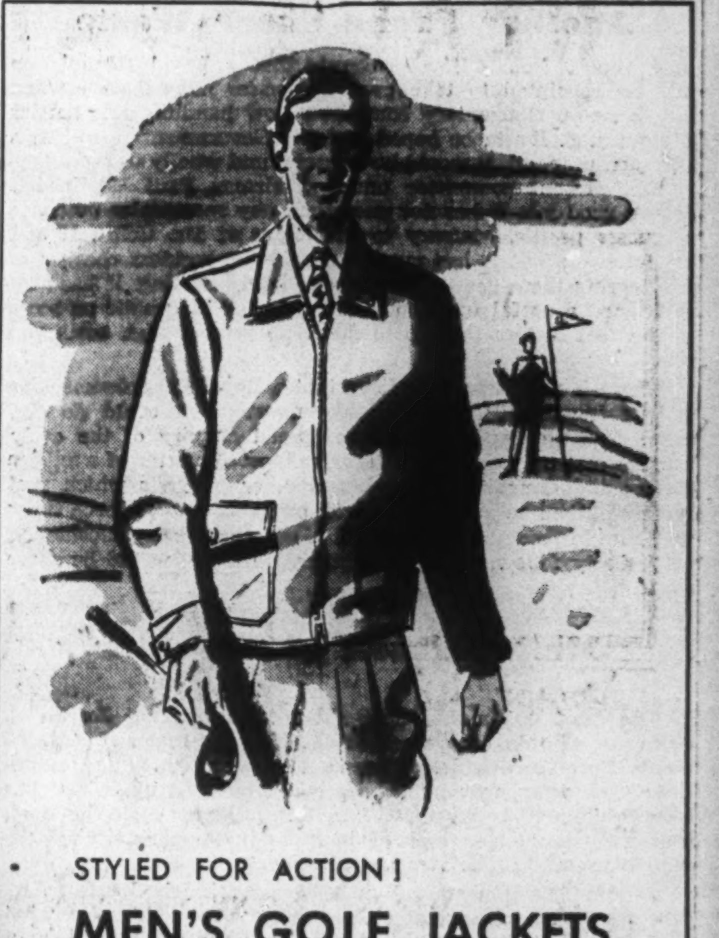
Available for the purchase of an established and profitable manufacturing business. Our client would be interested in outright cash purchase or controlling interest.

Concern should have proven record of earnings with possibility of expanding sales. If a larger proposition warrants more capital, it is available.

N. S. BROOKE, MANAGER

INDUSTRIAL DEPARTMENT—GUARDIAN TRUST COMPANY

618 ST. JAMES STREET W., MONTREAL, QUE.



STYLED FOR ACTION!

MEN'S GOLF JACKETS

13.95

Full-cut for action-freedom, this Du-Val cotton poplin jacket is wind-and-shower repellent . . . an ideal golfing jacket! Slide-fastener closing right to neck . . . adjustable cuffs . . . two flap pockets. Lined throughout for added protection! Putty or sand shades, in sizes 36 to 44. EACH 13.95.

Simpson's TORONTO

THE STORE FOR MEN . . .

Street Floor

Canada Wins Half Battle Against 'Invisible' Customs

U. S. Drops 8% Sales Tax From Valuation For Import Duty, But Still Includes Domestic Excise Levy

OTTAWA (Staff) — Canada's long-standing representations to U. S. authorities for removal of "invisible" customs tariff barriers along the 49th parallel seem at last to be bearing some fruit.

In what may prove a historic break with past procedure and practice, Ottawa officials were notified by Washington last week that the Canadian 8% sales tax is no longer added to the value of Canadian shipments, in arriving at foreign value for U. S. customs purposes.

So far as can be learned, this is the first time since the sales tax was originally introduced nearly 30 years ago, that this interpretation has been placed on the U. S. law. In previous instances, and on hundreds of millions of dollars worth of Canadian goods which have entered the United States as commercial trade in that period, the American authorities have added this purely domestic tax into their valuation calculations, despite the protests of Canadian authorities.

The 25% (or higher) Canadian domestic excise taxes (as on automobiles, radios, electrical appliances, etc.), are still ruled as being part of the foreign value for duty purposes. Just why one should be now included and one excluded, is not yet clear; but Canadian authorities, while continuing to press for a ruling which would exclude all domestic taxes, are not disputing the concession already obtained.

Ruling Not Available

One curious feature of the new situation is that no copies of the actual U. S. ruling have so far been available. The authority for the new situation is contained in a letter received from Frank Dow, Acting Commissioner of Customs, Bureau of Customs, Washington. This letter was in reply to a Canadian request about the reported ruling.

Mr. Dow is reported to have told Canadian authorities that his Bureau did in fact rule that the Canadian sales tax was not an element in arriving at foreign value, but that copies of such a ruling were not available for distribution. He indicated that "this confirmation of the Bureau's ruling" would probably serve the purpose in bringing the matter officially to the attention of the Canadian Government.

Volume of Canadian exports to the United States which will be affected by the new ruling, is hard to calculate precisely. A large proportion of the billion dollars of 1947 Canadian exports entered the United States duty free. As well, the sales tax calculation does not enter into commodities which carry specific duties such as copper, etc. There are also a number of items which Canada sells United States which do not bear any 8% domestic tax.

The section of the U. S. tariff law which bears on this matter is paragraph "c" of Section 402 of the Tariff Act of 1930. This specifies that the foreign value of imported merchandise shall be the market value or price "at which such or similar merchandise is freely offered for sale **for home consumption** to all purchasers in the principal markets of the country from which exported."

Until last week, U. S. authorities have insisted that this wording of the Act gives them no alternative but to include the Canadian sales tax for duty purposes.

Even when the U. S. court ruled in the matter of the historic Pitcairn case, Canadians were refused consideration of their sales tax plea. (The Pitcairn case involved a shipment of British china to New York. This was valued for duty purposes to include the 100% U. K. domestic purchase tax. The case dragged through the courts for many years and was finally, in 1945, decided in favor of the British. But at that time, W. R. Johnson, Commissioner of Customs, indicated that the British tax was a consumer's tax whereas the Canadian tax was a tax at the manufacturer's level. He therefore contended that the Pitcairn judgment had no bearing on the Canadian situation.)

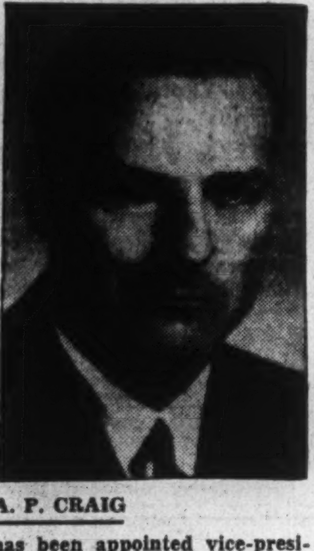
The next important development bearing on the Canadian representations, was the trade and tariff discussions at Geneva in 1947. Canadian authorities there presented a strong and well-documented case for greater uniformity in customs procedure throughout the world and for elimination of anomalies such as the U. S. interpretation of domestic taxes for duty purposes. As a result of these representations, they obtained unanimous approval of a new valuation clause. As written into the Geneva Agreement and subsequently confirmed at the International Trade Conference at Havana, this provided:

"The value for customs purposes of any imported product should not include the amount of any internal tax, applicable within the country of origin or export, from which the imported product has been exempted or has been or will be relieved by means of refund."

Several Questions Raised

Implementation of this new valuation clause by the United States would make it impossible for that country to include the 8% sales tax or the Canadian domestic excise taxes in valuation for duty purposes. But the United States can only implement this by Congressional action. So far, no steps have been taken to implement either the Geneva Agreement or the Havana Charter.

Of considerable interest here is the background of the new move respecting the 8% sales tax. Has the decision been made to implement as far as possible the new customs provisions of Geneva, without waiting for Congressional action? Is the new Canadian ruling merely an "interpretation" and therefore subject to possible litigation in the courts? Why should the 8% sales tax be excluded and the 25% excise taxes still included?



A. P. CRAIG

has been appointed vice-president of Canadian Westinghouse Co. He was formerly assistant to the president.

Pool Resources Of Democracies Is Defense Plan

OTTAWA (Staff)—Standardization of weapons and equipment, and pooling of Canada's war potential with "friendly countries," top the list of responsibility for Canada's new Industrial Defence Board.

At its initial meeting here last week, the Board decided to establish board offices in Washington and London as well as Ottawa, immediately. Hon. Brooke Claxton, Minister of National Defence, stated on behalf of the Government: "Our thought is that your planning should contemplate arrangements for combining our efforts with those of friendly countries, so that the utmost potential of the pooled forces of the western democracies, can be utilized."

The Board is under the chairmanship of Harry J. Carmichael of St. Catharines.

Must Revive Tariff Board Ere New Law Can Operate

OTTAWA (Staff)—Introduction of an entirely new, streamlined Customs Act in the House of Commons this week is interpreted here as evidence that the Government will move soon to revive and reconstitute the Canadian Tariff Board.

The new proposed Act eliminates virtually all the arbitrary powers now vested in the Minister of National Revenue (See page 2). It streamlines and prescribes uniform appeal machinery, direct to the Canadian Tariff Board.

But as reported in The Financial Post on March 13, the Canadian Tariff Board is now defunct. The Board consists of three members, two of whom constitute a quorum. But as there is only one member remaining (Hector McKinnon, Chairman) it can no longer function. Appeals are therefore piling up, with no possibility of any action until the government names one or two additional members.

It is considered certain that as soon as opposition members see the new Customs Act with its continued references to appeals to the Tariff Board, they will ask the Government: Where is the Tariff Board, and what are you going to do about it?"

$150,000 Tax Fraud Exposed By Anonymous Telephone Call

For tax evasion amounting to $111,013.33, William Goldie Scoon and the company of which he is president, Dominion Electric Mfg. Toronto, were last week fined $48,100. An anonymous phone call to the Income Tax Department started the investigation.

Scoon, the Tax Department charged, was the keyman in a tax racket involving four firms and their presidents.

The other three, convicted earlier, were:

Masco Co., Toronto; H. H. Gardiner, fine $897.

Etched Name Plates, Toronto; D. A. Marshall, fine $700.

Coulter Mfg., Oshawa; A. E. Coulter, fine, $22,550.

Total evasion amounted to about $150,000, all of which was paid before the trial began.

The court was told that Scoon had the evaded tax hidden in his home. It was wrapped in paper ($100,000 in bills) and was being held, the defence claimed, for future use of the firm.

The evasion consisted of fictitious purchases. The firms would forward a cheque to each other for purchases which never were made. Then the firm receiving the cheque would cash it and return the money to the sender. In this way costs were inflated, profits reduced and taxes reduced proportionately.

PRICES

(Continued from page 1)

Brunswick, carlots, fetched $3.15 per 75-lb. bag as compared with $2.90-$3 last week; Prince Edward Islands were up from $3 to $3.25; Ontario's were up from $2.50-$2.60 to $2.75.

Relaxation of the import ban on U. S. new potatoes was announced, to take effect area by area as domestic supplies dwindled.

Meats were up again.

Beef was now fetching 59c lb. retail for round roast in Toronto as compared with 55c a week ago and 49c in February.

Bacon was up two cents a lb.

In groceries (as reported by Canadian Grocer, Maclean-Hunter):

Citrus juices moved down again. Blended juices are now costing jobbers and chain buyers around $2.98 to $3 for 12 48's as compared with $3.61—$3.84 at the end of 1948. Both grapefruit and orange juices are similarly down.

New crop canned vegetables, however, likely will be higher this fall. Containers are reported costing about 17% more than last year, labels are up roughly 10%, increased prices have been awarded growers of tomatoes, peas, corn, asparagus.

Cancellation of WPTB ceiling on canned items is expected anytime.

Customs Union 'Won't Work' Prefer Economic Co-operation

OTTAWA (Staff) — Rejection of a Canada-U. S. customs union as "neither practical nor acceptable at this time" and support for a much greater degree of economic co-operation between the two countries, is contained in recommendations of a joint committee of Canadian and U. S. businessmen who met recently at Hot Springs, Virginia.

The committee met under the auspices of the Chambers of Commerce of the two countries and its recommendations have been unanimously approved by the parent bodies at Washington and Montreal.

Included in the recommendations is a decision to set up a permanent committee to study, analyze and report on the vexed problem of "invisible tariffs" between the two countries. The committee viewed with considerable concern "restrictive and arbitrary practices and interpretations of their respective customs tariffs and administrative procedures."

On the question of trade relations generally, the committee agreed that "both countries have a common interest in achieving the goal of freer, nondiscriminatory multilateral trade" and that "Canada and the United States have a particular responsibility to exercise leadership in the removal of restrictive economic and trade barriers between the two countries and in the creation of a strong, efficient North American economy."

Chairman of the Canadian committee is D. P. Cruikshank of Ottawa, president, Steel Equipment Co.

Canada Halving Adverse Balance On U. S. Trade

OTTAWA (Staff)—Complete trade returns for March confirm earlier estimates that some headway is now being made in overcoming the 1947 gap in Canada's dollar problem.

Imports from the United States in March have been held at $138 millions, against $165 millions in the same month a year ago. Exports to the United States at $112.5 millions are about $30 millions better than the $83 millions in the same month last year. Over-all, our adverse March balance is reduced to $24 millions, compared with a corresponding balance a year ago of $80 millions.

In the period begining March, 1947 and culminating in November, 1947, Canada lost over $750 millions on its merchandise account alone. This was the gap between our sales and purchases in that period—an average of about $85 millions a month. Since November 17, this monthly drain has been cut a little more than in half—to around $40 millions. The $24 millions gap for March is the smallest since December, 1945.

ERP May Hit Shipping, Meat Canada Warned

OTTAWA (Staff)—Ocean shipping, meat and fish products, as well as "various types of manufactured goods of a specialized type" were cited this week by Trade and Commerce Minister C. D. Howe as being probable casualties in the application of ERP funds to Canada.

Mr. Howe pointed out that various adjustments and sacrifices were essential, even though the over-all effect of ERP aid would be to enable Canada "to carry on our export trade in roughly the same volume and nature as before, avoiding a radical reorientation of our productive system, and to maintain higher levels of investment and income than would otherwise be possible."

Reasons for the adverse effect on Canadian shipping are: (1) European countries have a large volume of tonnage of their own, and by using this, they cut down the expenditure of scarce U. S. dollars and contribute to their own recovery (2) the U. S. legislation under which ERP aid is given requires that 50% of the goods leaving the United States under the program must be carried in American bottoms.

The reference to meat is thought to refer to the fact that the British now see a very substantial dollar gap between the cost of goods they expect to need under ERP in the next 12 months, and the amount of dollars likely to be allocated to them out of the U. S. appropriation. Assuming this gap is not met by higher U. S. appropriations, grave doubts are voiced here as to whether Britain will be able to meet the cost of her present purchases in Canada, especially if the United States decided that there can be no diversion of ERP funds for direct or indirect use in sterling area countries.

If these doubts are realized, it is more than likely that Britain may soon be forced to terminate her bacon and egg commitments in Canada, and perhaps others. Already Canadian bacon shipments are approaching the official commitment agreed to by Britain for 1948.

Gatineau Plans Mortgage Bonds

MONTREAL (Staff) — Shareholders of Gatineau Power Co. will be asked to authorize creation and issuance of serial notes in an aggregate principal amount not exceeding $1.5 millions at a special meeting called for May 19, it was announced this week.

These notes are in addition to the issue of $3 millions of first mortgage bonds 3¾% series E authorization for which the company has applied to the Provincial Electricity Board.

Look For It Here

May 15, 1948

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INVESTMENTS THIS WEEK

How Three-Way Oil Deal Will Affect Shareholders

Out of the recent annual meetings of Imperial Oil and International Petroleum has emerged a clearer blueprint of the big three-way oil deal involving Imperial, International Pete, and Standard Oil of New Jersey. Here are latest developments and current status of the deal.

This week International Pete shareholders approved conversion of the presently outstanding 200,000 preferred shares into the same number of common. This will enable Imperial Oil (holder of all the preferred) to offer one class of International Pete stock to its shareholders. At the same time International will cancel 200,000 unissued common leaving the original number of common outstanding. This will give Imperial Oil an estimated 8,728,190 shares of International common to sell.

Here is the position of the Imperial Oil shareholder:

1. He may buy International Pete stock on the basis of 32 shares of International Pete for every 100 shares of Imperial Oil he holds, at a price of $9.20 U. S. funds a share.

2. If he does not wish to take advantage of this offer to purchase International Pete, he may sell his rights (to do so)—assuming there will be an offering of rights which appears highly likely—to some one else by way of a regular stock exchange transaction.

3. If he takes advantage of the offer to buy International Pete shares, he may then exchange them for shares of Standard Oil of New Jersey on the basis of 3 shares of Standard Oil of New Jersey for every 20 shares of International Pete.

Here is the position of the International Pete shareholder:

1. He may accept Standard Oil of New Jersey's offer to exchange his International Pete stock for Standard Oil, N.J., stock.

2. He may "sit tight" with his International Pete stock.

Awaited now is Ottawa's approval of the International Pete conversion move and completion of filing necessary information with U. S. Securities and Exchange Commission. It is understood that Standard Oil, N.J. is preparing a prospectus in connection with its offering to International Pete shareholders. When completed, possibly in June, these will be distributed to International and Imperial shareholders.

When considering relative market price of International Pete and Standard Oil of New Jersey in the light of Standard's 3-for-20 offer, shareholders must keep in mind that U. S. stocks are selling currently at around a 20% discount to corresponding Canadian market prices even though the unofficial market rate is only around 8%. Selling around $78-$79 a share, Standard Oil is priced at approximately a 20% discount in relation to International Pete on the basis of the 3-for-20 offer.

By taking up its pro rata share of International Pete stock Standard Oil will obtain approximately 41.64% of International Pete's issued stock. Whether Standard will obtain a strong measure of control of International Pete depends on how International Pete shareholders respond to the 3-for-20 offer. Early indications would seem to suggest that many International shareholders will accept Standard's offer. The great diversity in Standard's holdings appear a definite advantage to many, particularly in view of current political unrest in several South American countries.

• • •

Canadian Canners directors have presented an interesting annual report to shareholders. But the report would have been more complete if some remarks had been made as to trend of sales in 1947. Operating figures disclose a drop in net earnings but no information is contained in the remarks of the president to account for the decline.

• • •

Belgium Glove & Hosiery Co. of Canada modernization program is carried in the 1947 annual report where interesting photographs illustrate improvements to exteriors and interiors of the stores. President Cohen points out reasons for moderate drop in profits.

Fire Companies Raise Three Year Premiums

Fire insurance rates for three year term policies on commercial properties have been increased by the companies operating in Ontario and Quebec.

Previously the premium rate on a three-year policy was 2.5 times the annual rate. This has now been changed to three times the annual rate less 10% per annum, or 2.7 times the annual rate.

Where the annual premium on a property is $100, under the old plan the premium for three years would be $250. Now it is $270, an increase of about 8%.

It is understood no other changes are contemplated just now.

The change in the term rate has been under consideration for some time. Formerly the law prohibited writing commercial risks for more than one year terms. But about eight years ago this was changed and since then a large proportion of the business was written on the longer term to get the advantage of the reduced rate when the contract was for three years.

During the past year when property owners were increasing their insurance protection materially, many companies complained that after putting up the required unearned premium reserve, they had little of the three year premium left to pay overhead, agents commissions, etc. The increase in the three year premium rate may ease the situation in that regard.

Main reason for the increase, however, it is understood, has been the heavy fire losses in recent months. The big losses occurred mostly in Ontario and Quebec, but have been heavy practically all over the country. Accordingly, it is expected that companies in territories other than Ontario and Quebec will follow the action taken in the two provinces named, by companies in both the Canadian Underwriters Association and the Independent Fire Insurance Conference.

Residential insurance policy premiums are not affected by the change.

Ottawa Silent On Question Of Nfld. Terms

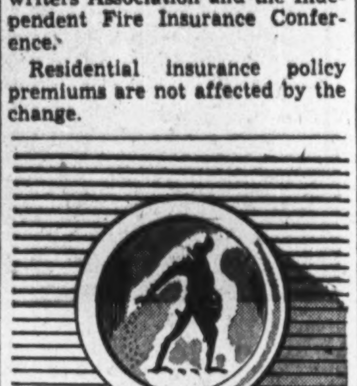
OTTAWA (Staff)—The Government is sitting tight on whether or not new terms for Confederation would be negotiated in the event Newfoundland votes to join Canada on June 3, but it is evident there would be little enthusiasm at Ottawa for a completely new set of negotiations.

Ambiguity and uncertainty have apparently been injected into the Newfoundland campaign by the wording of the official announcement on this point. As put by the U. K. Commonwealth Relations office, the statement reads: "In the event of the vote being in favor of Confederation, means would be provided to enable the full terms and arrangements for the constitution of Newfoundland as a province of Canada to be discussed and settled between authorized representatives of Newfoundland and Canada."

The last word on the matter from here is the Prime Minister's letter which accompanied the offer of union. This letter indicated that the terms as proposed were not the Government's completely final word but that they did consitute the limit to which the Government felt it could extend itself. In the letter there is an indication that on some matters Canada would still be prepared to receive suggestions.

At that time it was hoped and expected that Newfoundland authorities would in fact make some counter-suggestions and that these could then be considered by Ottawa. But this did not happen. Thus there has been no change or amendment in the original Canadian plan.

What this seems to add up to is that the terms of union as proposed by Canada are generally fixed. If Newfoundland were to vote for union, the Canadian Government would of course be open to suggestions and recommendations but would consider that by and large these would have to be within the general framework of the present scheme.



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Corp. Investors Add More Common

During the first four months of 1948, Corporate Investors Ltd. continued the policy of increasing its investment in common stocks of Canadian companies, at the expense of bonds and preferred securities.

Portfolio at April 30, 1948, reveals that 55.31% of total holdings are in common stocks, 38.48% in preferred stocks, 5.57% in banks and financial institutions and .64% in bonds, (against 43.30%, 47.56%, 5.8% and 3.34% respectively at Dec. 31, 1947).

Int. Petroleum Oil Reserves Same As 1938

International Petroleum Co. 1948 first quarter earnings are slightly better than the average for 1947, President L. P. Maier told largest annual meeting attendance in company history. This has been attained in spite of a 50-day strike in Colombia and a 12-day interruption in operations due to the recent Colombia insurrection. When operations get back to normal production should be at a rate equal to or slightly better than last year, Mr. Maier said.

Crude oil reserves in company properties in South America are estimated to be just as great as they were 10 years ago, The Financial Post is informed. Current exploration and drilling operations in Peru and Venezuela have been fairly successful and have resulted in bringing in new reserves. Search for new oil has not been so successful in Colombia, however.

Due to unsettled political condition indicated by recent revolution in Colombia a disturbed labor situation exists. The country is still under martial law. Insurrectionists held control of the company's Colombian properties for 12 days, but little or no damage was caused.

Shareholders approved the conversion of all the issued preference stock (200,000 shares) into common on a share for share basis. At the some time it is proposed to cancel 200,000 unissued common stock, leaving common outstanding the same.

Gt. L. Paper 1st Quarter Profit Up 62%

Net profit of Great Lakes Paper Co. for the first quarter of 1948 is up 62.6% from the corresponding 1947 period. Directors consider it unwise, however, to increase common dividends at present, President Earl Rowe told the annual meeting.

Working capital requirements are substantially greater than in the past, and the company is engaged in a $3-million renovation program. Directors are following a conservative dividend policy during this period of "so-called prosperity" in the same manner as they are providing reserves against a possible drop in inventory values, Mr. Rowe stated.

An agreement has been negotiated with Rhinelander Paper Co. for construction of a new sulphite pulp digester, with annual production capacity of 10,000 tons. The contract provides for sale at satisfactory prices for the full output of the unit for 20 years, it was said. Full construction cost of this unit is being advanced by the Rhinelander Co.

A. G. Walwyn was elected a director.

First quarter earnings:

Three Months—Jan. 1-Mar. 31, 1948	
Oper. profit	$1,132,411
Less: Int. on bonds	55,300
Depreciation	240,000
Inc. Tax	344,000
Pension Plan	30,025
	$533,086

Universal Cooler Executive Changes Announced

DAN ROBERTSON

HOWARD GRAY

Announcement has just been made from the executive offices of International Detrola Corporation, Detroit, Mich., that Dan Robertson, President and General Manager of Universal Cooler Company of Canada, Limited, Brantford, has been appointed General Manager of Universal Cooler Division of the corporation, headquarters of which are at Marion, Ohio. Retaining the presidency of the Canadian company, Mr. Robertson now assumes direction of the corporation's entire refrigeration business, the sales volume of which, from the Marion plant in 1947, exceeded $17,000,000.00. The company builds refrigeration and cooling units for a "blue-book" list of internationally known manufacturers of refrigeration and air-conditioning equipment, as well as units and equipment sold under The Universal Cooler name.

Associated with the Canadian company since 1928, Mr. Robertson has successfully guided Universal Cooler of Canada to a leading position in the Canadian refrigeration industry.

Howard Gray, Vice-President and Treasurer of Universal Cooler of Canada, succeeds Mr. Robertson as General Manager of the Canadian company. Mr. Gray joined Universal Cooler as Credit Manager in 1932, having previously been Assistant-Treasurer and Comptroller of Kelvinator of Canada. He rose successively to Secretary, Treasurer and Vice-President of the company. He has long been recognized as a prominent figure in the industry in Canada, in which he is extensively known and respected.

A Good Income

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Price: at the market; about $19 per Share to yield 5.26%.

This Company owns all the outstanding Common Shares of The E. B. Eddy Company which has a background of over 50 years of experience in the manufacture and distribution of a wide range of paper products.

Earnings available for dividends last year amounted to 2.8 dividend requirements and at the year end these shares had an equity value of $53 or over 2½ times their par value.

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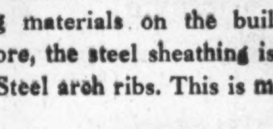
You get *assured long life* with a Quonset because of the strength and durability inherent in the all-steel construction of the Quonset, with its rugged arch-rib design. And, of course, a Quonset is fire-resistant.

You get *assured minimum maintenance* that saves you time and money because Quonsets are sag-proof, termite-proof and rot-proof.

Yes, a clear-span Quonset provides more usable floor space, at less cost, in less time, than other building types. See your nearest Quonset dealer about the Quonset building most suitable to your needs, or write today for his name and address.



This is the Quonset 40—40 feet wide; length variable in 20-foot sections. The other members of this quality building family are:
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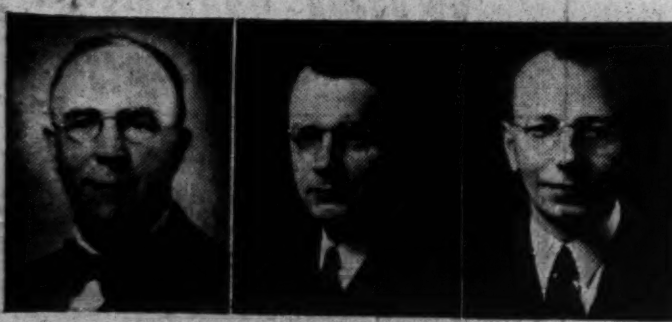

E. E. DUCKWORTH — G. EGERTON BROWN — R. A. TAYLOR

The retirement of Edward E. Duckworth, for the past ten years Comptroller of the Sun Life Assurance Company of Canada and a member of the Company for over 35 years, was announced today by Arthur B. Wood, President. Mr. Duckworth, a familiar figure in Canadian life insurance circles, was Superintendent of Insurance for the Province of Quebec from 1917 to 1919. A native of Preston, England, he graduated from Liverpool University and came to Canada in 1909. In 1911 he joined the Sun Life as a member of the Actuarial Department at Head Office and was named a Chief Clerk the following year. In 1919, he became Assistant Secretary in charge of personnel, an appointment which brought him into close association with the entire Sun Life staff both at Head Office and throughout the Company. He assumed the title of Comptroller in 1938 on being appointed an Executive Officer.

Following upon Mr. Duckworth's retirement, G. W. Bourke, Vice-President and Managing Director of the Sun Life has announced two new executive officers and other important appointments to take effect June 1st. G. Egerton Brown becomes Personnel Executive with general supervision of personnel, planning and service departments, in respect both of Head Office and Branch Offices. Raymond A. Taylor becomes Comptroller, with supervision of accounting and auditing functions, expense control and taxation matters. Other appointments include: K. D. Macaulay, to be Associate Personnel Officer; Arthur K. Sills, to be Assistant Personnel Officer; John McLaren, C.A., and Frank D. Logan, A.A.S., to be Assistant Comptrollers; H. T. N. Peterson, to be Assistant Secretary; Malcolm D. Loucks, to be Assistant Superintendent of Agencies, Eastern U. S. Division; and Oliver R. Ainslie, F.A.S., to be Mathematician. *

2,000 Attendance Expected at C.M.A.

An attendance of more than 2,000 members, from all parts of Canada, is expected at the 77th annual meeting of the Canadian Manufacturers' Association in Toronto May 26-27-28.

One feature of the meeting will be discussions on world trade and finance, with Earl Bunting, general manager and past president of the National Association of Manufacturers and Sir Frederick Bain, president of the Federation of British Industries, among the principal speakers. R. C. Berkinshaw, CMA president, and Gen. H. D. G. Crerar, will address luncheon meetings.

The annual meeting will follow the procedure adopted in the war years and will consist of a series of nine conferences on subjects of major interest to Canadian manufacturers. The conferences cover employer - employee relations, tariffs and controls, transportation, industrial and scientific research, education and public relations, insurance, world trade and finance, legislation, taxation and fire-protection.

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CASE

TWO SHOPS — 1115 ST. CATHERINE ST. WEST, AND THE NEW Henry Marks MOUNT ROYAL HOTEL

Subsidy Hurts Dosco Position Lang Declares

MONTREAL (Staff)—Dominion Steel & Coal Corp. will spend about $4 millions for the replacement of one battery of coke ovens, which have been in operation for about 30 years, in order to ensure the future operation of the Sydney steel plant, President C. B. Lang told shareholders at the annual meeting last week. These ovens are of the most modern design and will have a beneficial effect on costs. It is hoped installation will be completed early next year, he added.

Ingot production totals 589,489 tons for 1947—an increase of 139,296 tons over 1946 when a four-month strike was experienced. The 1947 production of the Sydney steel plant was adversely affected by about 27,360 tons, owing to a strike in the coal mines.

A wage increase of about 6% became effective at the Sydney steel plant on Oct. 1, 1947, and a further wage increase of 11½c an hour was granted April 1, 1948, resulting in a common labor rate of 94c an hour or 116% higher than 1939.

Effect of Steel Control

As there has been no abatement in the demand for steel the Government continued to direct production and distribution and this has resulted in Dosco being prohibited from re-establishing and expanding its normal and prewar markets, Mr. Lang stated. "We were also directed to supply a substantial quantity of semifinished steel to other Canadian steel companies and this has been the principal reason for the inability of our steel converting facilities to operate to capacity," he added.

The government subsidy, paid "in recognition of the adverse effect the direction and regulations would have on the company . . . neither fully compensates us for the earnings which would otherwise accrue to the company nor for the unenviable position we will occupy with our customers when the present paucity is terminated." The company has consistently maintained the position since 1945 that it did not desire to receive government subsidy, he stated. It emphasized to the Government that in the present and future interest of the employees and the industry, it was necessary that the company be permitted to regulate its production and re-establish and expand its normal markets without any government subsidy.

The operations of the steel converting units in Quebec and Ontario, all of which were acquired to permit a wider and more economical distribution of the Sydney steel plant production for domestic purposes, are demonstrating the wisdom of that policy, Mr. Lang stated.

The rehabilitation and modernization of the Canadian Tube plant is progressing as rapidly as equipment can be obtained. The two new continuous bar mills are now in operation and the modernization of the wire and nut and bolt departments has been completed.

Wabana Mines

Operations at Wabana Ore Mines continued at approximate capacity throughout 1947 with 605,936 tons shipped to England leaving a stockpile of about 183,750 tons. British customers had contracted for this but it could not be transferred owing to shipping difficulties. Payment for the ore in storage was made in accordance with the terms of the contract. Negotiations have been completed for the sale of ore which will ensure full operation of the mines, Mr. Lang stated.

The results of the "nonsteel" subsidiaries, which did not operate to capacity owing to the shortage of materials, continued at a fairly reasonable level and they were responsible for a substantial portion of the profits shown, he said.

There continues to be worldwide demand for steel and unless unforeseen circumstances arise, the present level of production of our primary and finishing units should continue, Mr. Lang stated.

W. E. Brown was appointed as vice-president at a subsequent directors' meeting.

VICEROY MANUFACTURING CO. net profit for the year ended Feb. 29, 1948 was up 65%. During the year fixed assets increased by $34,744 and bond mortgage was reduced by $48,000. Working capital at year end amounted to $722,447 as against $739,260 the previous year.

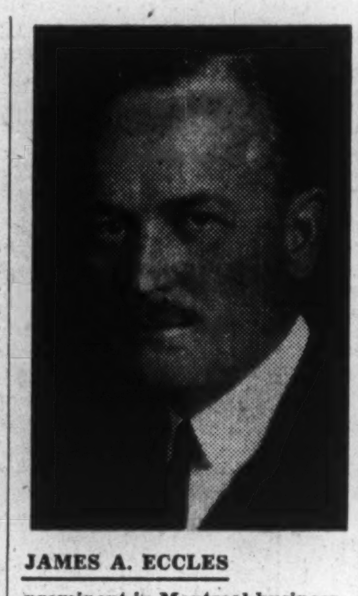
INCOME ACCOUNT

Years Ended:	Feb. 29 1948	Feb. 28 1947
Net earnings	$256,868	$188,414
Less: Deprec.	51,099	44,467
Bond interest	19,549	19,415
Inc. tax res.	60,090	51,181
Add: Asset sale	6,238	6,880
Net profit	132,368	80,231
Less: Pref. divd.	....	6,213
Common divd.	46,095	32,933
Surplus for year	86,273	41,085
Times Bond Interest Earned:		
Before deprec.	13.14	9.70
After deprec.	10.53	7.41
Earnings per Share and Dividend Record:		
Pref.†: Paid	...	$1.38
Common	$1.12	0.63
Paid	0.39	0.28

†Redeemed Nov. 30, 1946.

CONDENSED BALANCE SHEET

As at:	Feb. 29 1948	Feb. 28 1947
Cash & Govt. bds.	$136,416	$253,275
Accts. rec.	281,800	174,194
Life insur. c.s.v.	13,057	11,747
Inventories	568,053	478,707
Total curr. assets	999,326	917,923
Misc. assets‡	22,538	27,739
Fixed assets*	625,780	591,036
Total assets	1,647,644	1,536,698
Accts., etc., pay.	220,356	177,197
Res. for taxes	56,523	1,466
Total curr. liab.	276,879	178,663
Funded debt	587,000	635,000
Reserves	468	26,012
Capital stock	138,700	138,700
Distrib. surplus	92,194	92,194
Earned surplus‡	552,403	466,129
‡Incl. refund. EPT	7,740	7,740
*After depr. of	1,143,968	1,109,468
Working capital	722,447	739,260



JAMES A. ECCLES

prominent in Montreal business, educational and social service circles, has been elected a director of Canada Steamship Lines Ltd.

T.S.E. Short Interest Up

The semi-monthly short selling report of the Toronto Stock Exchange as of April 30 shows the aggregate short positions, eliminating odd-lots, on the books of member firms at 516,307 shares of 143 issues, compared with 462,582 shares of 148 issues on April 15.

Largest changes of short positions in individual mining stocks were: Eldona 78,700 shares, up 46,300; International Uranium 22,900 shares, up 14,200; Eureka 62,800 shares, down 14,000; Detta Red Lake 4,500 shares down 10,000; Osulake 10,700 up 8,700 and East Sullivan 10,500 shares, down 6,000.

Only changes of consequence in the industrials were Dominion Steel & Coal "B" 100 shares, down 1,100; Walker-G. & W. 25 shares, down 325; Imperial Oil 300 shares up 200 and International Petroleum 2,700 shares down 200.

Stock	Shares	Stock	Shares
Algoma Steel	235	Int. Petrol.	2,700
Aluminium	50	Int. Uranium	22,900
Anglo-Cdn.	3,500	Joburke	500
Anglo-Rouyn	500	Kenville	1,500
Argus Corp.	1,175	Kerr-Addison	1,000
Arjon	500	Kirk. Lake	600
Armistice	5,000	Labrador	7,600
Astoria Rouyn	500	Laguerre	5,000
Atlas Steel	100	Laura Secord	275
Base Metals	4,500	Lake Dufault	500
Bevcourt	1,000	Lamaque	100
Brand & Mill A	600	Little L. Lac	300
B.C. Forest P.	700	Loblaw B	50
Bri. Dom. Oil	5,500	Louvicourt	13,600
Brown Co.	100	Lunward	1,000
Buffadison	19,900	Macassa	4,600
Buffalo Ank	1,300	MacDonald	9,400
Calgary & Ed.	4,500	MacL. C'shutt	1,000
Callinan F. F.	1,000	MacMillan B	100
Calmont Oil	500	Madsen R. L.	1,100
Campbell R. L.	500	Magnet Cons.	6,000
Canada Cement	250	Malartic G. F.	800
Can. Steam.	300	Marcus	1,000
Cdn. Brew.	2,927	McColl Front.	100
Cdn. Can. B	100	McMarmac	1,000
Cdn. I. Alco. A	400	Mid-Continent	500
Do., B	100	Mining Corp.	900
Cdn. Pac. Ry.	645	M. & O. Paper	750
Cdn. Vickers	50	Mylamaque	6,000
Cen. Porcupine	500	Negus	15,200
Chesterville	5,100	New Pacalta	500
Cochenour	2,000	Nicholson	1,500
Coniaurum	800	Normetal	2,100
Cons. Beattie	1,300	O'Brien	1,000
Cons. M. & S.	25	Ogama-Rockld	500
Conwest	1,900	Okalta Oil	7,800
Detta R. L.	4,500	Osisko Lake	7,600
Dickenson	500	Osulake	10,700
Discovery	1,000	Pamour	100
Dist. Seagrams	150	Pend Oreille	3,400
Diversified	6,100	Pen-Ray	4,500
Dome	100	Pickle Crow	1,600
Dom. Coal Pr.	125	Prest E Dom	3,300
Dom. Fdy. & S.	325	Que. Labrad.	1,000
Dom. S. & C. B	100	Queenston	24,700
Dom. Stores	25	Quemont	900
Donalda	12,600	Roybar	2,000
Dulama	3,500	Roxana	1,500
Duquesne	2,500	Rupununi	10,000
East Malartic	1,300	St. Law. Cp.	200
E. Sullivan	10,500	San Antonio	700
Elder	500	Sand River	1,500
Eldona	78,700	Senator	1,000
Eureka	62,800	Sherritt	19,600
Famous Play.	200	Silanco	500
Fanny Farmer	250	Silver Miller	2,000
Fleet Mfg.	1,400	Simpsons 'A'	25
Foothills Oil	400	" 'B'	100
Giant Y. K.	12,100	Springer Sturg	700
God's Lake	11,400	Steep Rock	6,500
Gold. Manitou	400	Surf Inlet	1,500
Gulf Lead	100	Sylvanite	100
Hard Rock	1,000	Twin City	200
Hollinger	600	Unit. Fuel 'B'	100
Home Oil	2,000	United Steel	100
Howey	1,000	Ventures	400
Hudson Bay	100	Walkers G&W	25
Hunts A	200	Weston Geo.	75
Imperial Oil	300	Wiltsey Cogh	2,000
Indian Lake	1,000	Wpg. Electric	725
Inspiration	1,000		
Int. Nickel	300		
Int. Paper	350	Total	516,307

TOWN OF MOUNT FOREST DEBENTURES

Sealed Tenders will be received by the undersigned up to 5 P.M. (D.S.T.) of May 18, 1948, for the purchase of $52,000.00 Town of Mount Forest 3½% Debentures, repayable in 20 equal annual instalments in Canadian funds at the Bank of Montreal, Mount Forest. Issue is for sewage and has been approved by Ontario Municipal Board. Last year only callable. Highest or any tender not necessarily accepted.

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Waterous Ltd. Buys Control of Heaps

A controlling interest in Heaps Engineering (1940) Ltd., New Westminster, B.C., has been acquired by Waterous Ltd., Brantford, Ont., through purchase of 51% of the common shares, the company states.

In addition, shareholders of Waterous Ltd. of record April 30, 1948, are offered the remaining 49% of Heaps' common at $2.85 through Fairclough & Co., Toronto, The Post is told. The offering is subject to allotment, and will be good until May 15.

Net profit of Waterous for the first quarter of 1948 was $65,654 after provision for depreciation, taxes and employees' participation fund ($64,592 in first quarter of 1947 when the employees participation fund was not in effect).

A. P. Pilkey will continue as general manager and a director of the Heaps Co. W. A. Harding of Waterous becomes vice-president and resident director.

It is expected that the facilities of the Heaps Co. combined with the experienced direction of the Waterous Co. will contribute materially to the successful development of the business of both companies on the west coast, the company states.

Flour Output Down in 7 Mos.

MONTREAL (Staff)—While a 10% drop in output means that flour mills are operating at less than full capacity, higher prices may enable companies to maintain earnings at last year's levels at least, The Financial Post is informed.

Output of wheat flour for the seven months of the current year up to the end of March amounted to 16,836,190 barrels, a decrease of 1,895,855 barrels from last year's record of 18,732,045 barrels. This is due to the much smaller wheat carryover into the current year. Millers are hoping for a big wheat crop this year which will enable them to again step up production. According to the Canadian Pacific crop report there will be a slight decrease in over-all wheat acreage in the Prairies this year and more sown to coarse grains. Delay in getting on the land due to wet weather may reduce the wheat acreage still more.

Milling of coarse grains also shows a decrease this year. In March milled oats was down 56% from last year, corn down 66%, buckwheat 47%, rye 76%, mixed grain 30%. Barley milled during the month showed an increase of 53%.

Surplus Income Over Expenses Shown by International Bank

International Bank for Reconstruction and Development shows a surplus of income over expenses, of $1,178,792 since it came into existence in December, 1945. It actually began operations June 25, 1947, but due to organization expenses before interest was received from lending operations, a deficit of $1,063,805 was incurred up to June 30. This has now been eliminated. The surplus accumulated to date indicates the bank is paying its way.

Total income for the nine months of the present fiscal year, amounted to $12,780,633. After deducting expenses of $8,577,770 and special reserve provision of $1,960,266, net income was $2,242,597.

Income for the quarter ended March 31, 1948 was $5,305,755, provision for special reserve $889,592, total expenses $2,613,491, leaving a net income of $1,802,672.

At March 31, the bank had available U. S. dollars and short-term U. S. government obligations amounting to about $470 millions, after deduction for existing loan commitments.

During the quarter ended March 31, the bank approved loans totaling $16 millions to two Chilean corporations for the development of hydro-electric power and agriculture. These loans will become effective after appropriate ratification and guarantee of the loans by Chile.

Including the Chilean loan, total loan commitments at March 31, 1948, amounted to $513 millions, against which disbursements approximate $403 millions.

Loan commitments and actual disbursements by the bank under the loans since the bank began operations are as follows:

International Bank Loans†

Borrower	Loan Commitment $	Payments Under Loan $
France	250,000,000	250,000,000
Netherlands	195,000,000	138,459,092
Denmark	40,000,000	7,322,104
Luxembourg	12,000,000	7,032,517
Total	497,000,000	402,813,713

†As at March 31, Chilean credit not included.

McCOLL-FRONTENAC OIL CO. announces 807,963 shares were subscribed for under recent offering of rights to common shareholders of record Jan. 21 to subscribe for additional common shares at $10 each. Issued capital is now 60,000 4% preferred and 2,607,963 common.

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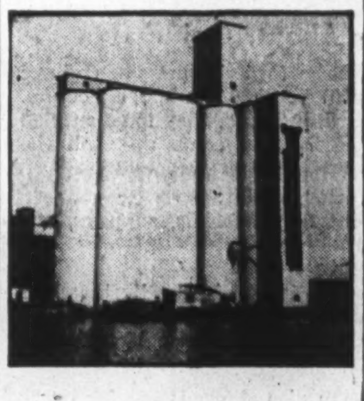

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COUNTRY GUIDE READERS

Have MORE Money to Spend!

PRAIRIE FARMER'S INCOME $3,623 FOR 1947

Average cash income for farmers in the Prairie Provinces for 1947, according to Dominion Bureau of Statistics, was $3,623. This was the average amount received from the sale of farm products and from supplementary payments for the calendar years 1945 to 1947. The average for the five eastern provinces for the same period was $2,275: average for all Canada, $2,820.

WHAT WILL THE PRAIRIE FARMER BUY THIS YEAR?

With this better-than-average income, the farmer will, of course, pay off part of what remains of debt incurred during other less prosperous periods. But in addition, he'll buy the things he has needed for years: new farm machinery and equipment, new furniture and living comforts, life insurance and other means of protection for his family and his home. All these things he will buy in GREATER QUANTITY.

LEADING WESTERN FARMERS are ALL REGULAR READERS of The COUNTRY GUIDE

The best way to reach the rich prairie market is through the pages of the farmer's favorite magazine, The Country Guide. Remember this: more than 64% of Western Canada's population is rural: over 200,000 prosperous, progressive farmers read The Guide regularly, representing 75% of Western Canada's total farm purchasing power.

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WINNIPEG - CANADA

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We Must Produce Cheaply

Aside from the menace of another war the greatest threat facing the Canadian economy is the lack of competition. This was the point stressed by Dr. W. A. Mackintosh, of Queen's University in his address last week before the annual meeting of the Dominion Mortgage and Investments Association. He said:

> "Internally, our great continuing economic problem has been the progressive inflation of prices and costs. We are trying to crowd too much into the present. The demand is so great that competitive forces are gravely weakened. For the sake of the consumer, for the sake of the future of our foreign trade, for the sake of the business firms who are going to try to get reasonable returns on the high-cost capital projects of the present, we need more competition in our economy."

That observation Dr. Mackintosh classed as obvious, but there is no indication that it is as obvious as it should be to the average Canadian. It is this lack of competition which is at the root of our present high and still rising costs. It is part of the price we are paying for fighting a war.

From 1939 until 1945 normal competition in this country was ruthlessly stifled in the interest of concentrated war production. Costs became of secondary importance. Too many of us forgot about producing most efficiently and when the war ended with shelves bare of consumer goods, a sellers' market everywhere and heavy taxes discouraging incentive, we were slow to relearn.

It doesn't take much skill or management to turn out needlessly expensive goods to meet the demand of buyers willing to stand in line. But that sort of production will never help us regain our place in a freely competitive world. To do that, to restore our former high standard of living, to provide jobs for every Canadian willing to work, we must relearn to produce cheaply, we must have more competition.

A Sorry Exhibition

There will be disgust and disappointment with the action of the Senate in voting down the Euler bill to lift the ban on margarine. The public expected more courage from a group which has nothing to fear from, and should be under no obligation to, the notorious butter lobby.

Parliament, of course, will breathe easier. It will hope that the defeat of the margarine bill in the Senate will end the clamor for action by the House of Commons. A great many members of all parties were fearful lest a similar bill there would come to a vote. So long as they can keep this a private bill, on which discussion is rigidly limited, they will have no trouble in talking it out. By keeping it from coming to vote they hope to avoid offense both to urban consumers who demand repeal and the dairy lobby which insists on keeping margarine out.

The whole sorry handling of this issue by Ottawa strongly suggests an understanding between the anti-margarine groups in the Senate and the House. Senators, of course, don't have to face the voter at election time.

In striking contrast to Ottawa's cowardice has been the recent action of Washington. There the last federal restrictions on the sale of margarine (mild indeed compared to Canada's prohibition) have been lifted by Congress.

An Offer With a Catch

There was a happy little meeting in Toronto the other day. On one side of the table was the special committee appointed by the city authorities to look into new sources of municipal revenue. On the other were representatives of the National Association of Master Plumbers and Heating Contractors.

Members of the committee sought suggestions for ending the heavy, annual deficit on the civic inspection services for drainage and plumbing. Last year the loss was $36,000.

That wasn't a problem at all, according to Secretary Davidson of the Master Plumbers, Ontario Branch.

There is no reason Toronto citizens should be burdened with a $36,000 annual deficit in the operation of the plumbing and drainage section of the health department, said Mr. Davidson. The master plumber's license fee should be worth $100 instead of the present $10. At this fee, he said, no additional charge would be made for inspections.

Now, that looks like a pretty decent offer to the harassed taxpayers of the City of Toronto and it must have shocked those who made it when there was some hesitation about acceptance. Unlike so many other offers made to municipal officials, this was designed to keep taxes down. Unfortunately, it would keep something else down too—competition. It would certainly prevent a lot of eager young plumbers setting up business in Toronto and prepared to put in a sink or toilet in a reasonable time and at a reasonable price. Such a job today costs anywhere up to ten times the prewar rate and one is lucky to get it started within six months.

The crying need of Toronto and other house-short municipalities in Canada is not higher license fees for plumbers, but more plumbers and far less municipal red tape in providing inspection services.

They Would Build Here

The International Trade Fair, being held May 31-June 13 in Toronto's CNE park, is primarily a get-together of the world's merchandisers.

But it also represents to communities and to the individuals of Canadian industry an opportunity they've never had before: the opportunity to sell Canada to on-the-spot buyers. And there's already evidence among the earliest arrivals of the 10,000 executives coming to the Fair from 58 countries of a desire to set up shop here just as the Americans and the British have done.

Here is a new opportunity for Boards of Trade, Chambers of Commerce and like community bodies to point their settle-in-Jonesville plans specifically to this audience.

Certainly for the industrial centres of Ontario seeking new growth the proposition is simple. Organizations can have cars on hand to transport the visitors, to show them actual sites and communities for new industries.

Calendar Reform

Mark Twain might have taken in quite a lot more territory than he did when he made his famous remark about the weather. There are a lot of things that "everybody talks about but nobody does anything about." One of them is our present Gregorian calendar. Accountants, comptrollers and boards of directors have lamented for years our inconvenient, awkward and unwieldy system of reckoning dates. Not only are the months unequal but so are the quarters and half years. Holidays run the gamut from Monday to Sunday and, except for a few fixed ones like Civic Holiday and Labor Day, never fall on the same day of the week twice in succession.

There is in existence a calendar designed to overcome all these inconveniences and discrepancies. Fourteen nations have already officially approved its adoption and are waiting for one of the Great Powers to take the initiative. The United States Department of Commerce has gone on record as being "favorably disposed" toward it. At least one Canadian labor union favors it and so do a surprising number of business and professional men in this country. Peru has placed it before the UN Economic and Social Council for consideration.

Known simply as the World Calendar, the new system overcomes many of our present calendar's most objectionable features. Each quarter has 31 days in its first month and 30 days in the remaining two. Each quarter begins on a Sunday and ends on Saturday. Each month has 26 week days plus four or five Sundays. Each year begins on Sunday, Jan. 1 and ends on Saturday, Dec. 30. Month dates always fall on the same week days—thus Victoria Day would always fall on Friday and Christmas Day on Monday.

This is accomplished by giving January, April, July and October 31 days each and all the other months, 30. The four 91-day quarters make up 364 days of the year. The 165th is called simply "World Holiday" and observed between December 30 of one year and January 1 of the next. Every four years a second world holiday to follow June 30 takes care of leap year.

Advocates of the new calendar have been active in support of their project since 1937 when fourteen nations endorsed the World Calendar at the League of Nations. Aside from general convenience, they point out, it will facilitate comparative statistics, computations of interest, budgets, pay rolls, costs and the many other operations of which time is the essence. They would like to see it adopted two years hence when the present calendar coincides with the new one by starting the year on a Sunday.

Facts About Business

A group of Brantford businessmen have just done a useful piece of public education. Through the Board of Trade, they have studied eight local industries and come up with the following facts:

Out of every factory dollar:
64½ cents went for materials, supplies, etc.
26½ cents went for wages
5-1/3 cents went for taxes
2-2/3 cents was retained in the business for plant renewal, extension, etc.
and nine-tenths of a cent was paid to shareholders.

The investigation also showed that for every 100 employees, there were 92 shareholders; that the average annual pay for each employee is 27 times the amount paid to each shareholder; that it takes an average capital investment of $4,764 to provide a job for each person on these payrolls.

Companies in the study are Brantford Oven and Rack, Brantford Roofing, Cockshutt Plow, Harding Carpets, Kitchen Overall & Shirt, S. C. Johnson & Co. (waxes), Universal Cooler and Waterous.

The facts about business are its best answer to the nonsense fables of those who want a do-all, be-all, rule-all state. Good work, Brantford.

It's Spent Just the Same

It comes as something of a painful surprise to see a newspaper of the standing of the Ottawa Journal succumbing to an economic fallacy that should have been worn threadbare long before this. The Journal argues that the Ontario election will not "cost" anyone a cent. Whatever amount of money is involved, it says, will not be lost—it will merely "change hands," finding its way to printers, advertisers, people who have halls to rent, and so on. It sums up:

> "There is no argument at all in the complaint that it (the election) will cost a million dollars. All an election will do will be to use a million dollars—which is something very different."

That's the classic justification for all sorts of government spending, wise and otherwise. It is the stock argument of the economic planners, of the "pie-in-the-sky" school.

It is wrong.

Of course an election will cost money — and all taxpayers should realize that it will cost them money.

The tax revenue that goes to meet election expenses might have been used to build a new road. In that case, the election has "cost" someone a new road. The candidate who spends a thousand dollars to hire halls and meet other expenses will have a thousand dollars less to spend fixing up his house or buying a car. If campaign funds are contributed, the contributors will have that much less money to spend on their own needs or for their own pleasures.

This does not mean that the Ontario or any other provincial election should be condemned because it is going to cost the people money. But it does mean that we shouldn't delude ourselves into thinking that, because money "merely changes hands" it isn't spent. If there was anything in that sort of nonsense then we should all be rejoicing at the high cost of living these days.

Napier Moore's ScratchPad

ILLUSTRATIVE of the celebrated 3,000 Miles of Undefended Border, this is the list of documents required by a 17-year-old Canadian girl student before proceeding to the United States to enter an American college:

1. Canadian passport. $3.
2. 25 photographs.
3. Labor exit permit from National Selective Service.
4. Alien head tax guarantee from CNR. $8.
5. Report, in duplicate, of physical examination at U. S. A. Consulate.
6. Record of alien admitted as visitor, in duplicate, U. S. A. Department of Justice, Immigration and Naturalization Service.
7. Nonquota immigration visa. $10.
8. Alien registration receipt card with 22 fingerprints.
9. Birth certificate, original and photostat.
10. Certificate from Toronto city police stating that the name does not appear in their records.
11. Letter from a bank stating that the Foreign Exchange Control Board has permitted funds to be transferred to U. S. A. for payment of fees and expenses.
12. Certificate of admittance from the college.

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FOR SHEER ZEST in their work, mining engineers are hard to beat. And Scratch Pad's award for Cheerful Companionship and Making the Best of Things goes to mining engineers' wives, who spend their lives creating homes in one remoteness after another.

Consider the case of Sidney J. Kidder and his wife.

On several occasions during the past decade we have joined the Kidders in celebrating Sidney's retirement. After many years spent in the mountains of Brazil and Mexico, at mines all over Canada's northland, he would decide the time had come to settle down in a snug apartment and enjoy a well-earned leisure. A month or two later, the Kidders would be packing up to go to some other new camp wrapped in wilderness.

However, last winter Sidney really quit. He said he had reached an age whereat he wanted to sit down in his own upholstered chairs. He said it was time his wife had a home of her own. Happily, Mrs. Kidder got their belongings out of storage.

Last Sunday we wished the Kidders bon voyage. They were as happy and excited as two young honeymooners. During the next three years their address will be Kilembe Mine, Fort Portal, Uganda, British East Africa.

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WHETHER OR NOT it had anything to do with a hat we don't know, but Mademoiselle Bertin, milliner to Marie Antoinette, said "There is nothing new except what is forgotten."

An advertisement in British Printer tells us there were import restrictions and paper shortages in 1666. The following year the British Parliament passed a law "intended for the lessening the Importation of Linnen from beyond the Seas and the Encouragement of the Woollen and Paper Manufacturers of this Kingdom." It provided that "Noe person or persons whatsoever shall be buryed in any Shirt, Shift or Sheete made of or mingled with Flaxe, Hempe, Silk, Haire, Gold or Silver or other than what shall be made of Wooll onely."

• • •

DURING A PREWAR summer, at the invitation of A. Neil McLean, head of Connors Bros., we stayed a few days on Fry's Island, off the New Brunswick coast. We occupied many an hour lazily rowing a boat around the fish weirs, talking with the fishermen as they hauled in huge catches of the small herring which become sardines. One morning the cannery pick-up steamer from Black's Harbor swung in. The skipper, pointing to the fuzzy outline of a far island, yelled "Hey! Franklin's here!" And the fishermen, obviously pleased, shouted back, "Good!"

The island off in the haze was Campobello. "Franklin" was Franklin D. Roosevelt, President of the United States. Bay of Fundy fisherfolk, boat builders, farmers and villagers had known him since his youth. He was their neighbor.

So it is with interest that we have read a little book, "The Days of Roosevelt," written and privately published by the now Senator A. N. McLean, which tells of their Fundy-born friendship, or wartime confidences, and of several visits to the White House. One of the Senator's most treasured possessions is a photograph of the late President inscribed "To my good friend and neighbor A. Neil McLean—Franklin D. Roosevelt."

Stop Me If—

Cop: "How'd you get that pot of honey?"

Robber: "Well, I admit I don't keep bees, but what's to prevent a chap from squeezing it out of flowers himself?"

• • •

Lawyer: "Then you admit that you struck the defendant with malice aforethought?"

Defendant, indignantly: "You can't mix me up like that. I've told you twice I hit him with a brick, and on purpose."

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Jeremiah agreed to cut the grass for two dollars, but when Mrs. Jones returned home from a shopping tour she found him lolling under a shade tree while another darky was painfully pushing the lawnmower over the grass.

"Shame on you, Jeremiah," the lady admonished. "Hiring someone else to do your work for you. How much did you agree to pay him?"

"Two dollars and fifty cents, ma'am," was the lackadaisical reply.

"Why, Jeremiah," exclaimed the startled Mrs. Jones, "that's fifty cents more than I agreed to pay you!"

"Ah knows dat, Miz Jones," was the calm rejoinder, "but it am wuth fifty cents to be boss all afternoon."

—Cartoon by Grassick.

MR. BLANDINGS BUILDS HIS DREAM HOUSE

Post Scripts

Represents Alberta

When R. A. McMullen, Alberta's recently appointed agent-general in London, tells prospective British immigrants that there is a great future for them in Alberta, he can back it up by his own experiences. Again, with his own experiences as a background, he can safely emphasize that this future is dependent upon a desire and intention to work hard.

MR. McMULLEN

McMullen was born in France and educated in England, Ireland and Scotland. He speaks fluently French, German and Dutch. On completing his education, he worked in the British civil service in Rhodesia for four years.

In 1931 when he was 26 he decided to try his luck in Canada. It was at this point that his career becomes something of a model for British immigrants. Despite his scholastic attainments, his first job in Canada was that of a farm hand at $12 a month. Next he worked for an industrial firm in Eastern Canada, later as an accountant and collector for one of the large eastern hospitals.

His next move was to join the Royal Canadian Mounted Police. He was with them for 12 years. His duties took him to Rocky Mountain House in Alberta where he met Hon. A. J. Hooke, Alberta's minister of economic affairs and provincial secretary. In 1945 McMullen became director of public relations for the Alberta Government. In December, 1947, he and Hooke went to Britain to lay plans for Alberta's immigration scheme and to endeavor to interest British industry in coming to Alberta.

Hooke returned to his ministerial duties at the end of March. McMullen remained in London as agent-general.

Married to the former Miss Florence Beer, the McMullens have two children, Jimmy, 8, and Linda, 4. McMullen is a member of the Anglican Church and Masonic lodge. While in college he excelled in track and field events and holds championships in various events.

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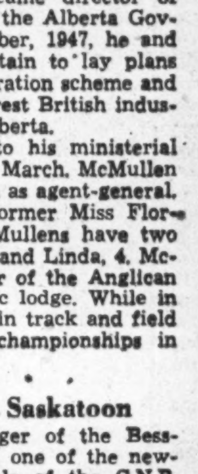
Your Host at Saskatoon

R. S. Pitt, manager of the Bessborough, Saskatoon, one of the newest and finest hotels of the C.N.R. system, has had, at the age of 42, two successful careers, that of a hotelman and that of an army man.

At the age of 21 Mr. Pitt started as a hotel clerk. Within 10 years he was manager of the Nova Scotian, Halifax. In 1941 he joined the Canadian army as a lieutenant. When released in 1946, he was a lieutenant - colonel. He was awarded the M.B.E. and was Mentioned in Despatches.



MR. PITT

Pitt hails from Sussex, England and says it was natural for him to go into the hotel business as his father was in this line, at Brighton. He was educated at St. Francis Xavier College, coming to Canada in 1928.

After a short spell as a clerk in the Mount Royal Hotel, Montreal, Pitt joined the C.N.R. chain, going to Jasper Park Lodge, for a summer. He was transferred to the Prince Arthur at Port Arthur, and from there to the Fort Garry, Winnipeg. Two years later he was appointed assistant manager of the McDonald at Edmonton.

In June of 1933 Pitt became night manager of the Chateau Laurier, Ottawa, later house manager, then was transferred in 1936 to the Nova Scotian as manager.

He was still managing the Nova Scotian in 1941 when he joined the Army Service Corps.

Managing a hotel, even a first class, big one, did not seem a very big job in retrospect to Major Pitt. In the army he was in charge of catering.

Some idea of the magnitude of the task can be seen from the fact that in 1944 all catering personnel on the strength of the Canadian units were transferred to the RCASC and the corps became responsible for the training of cooks and the catering personnel generally. Schools were set up in England and men trained in the handling of the army ration and the various types of issued equipment.

It is doubtful if any person knows more about cooks generally than Pitt. In the army he was in charge of a couple of thousand of them. And the army had every kind of cook known, from the man who tossed flapjacks in northern lumber camps to the cooks who had catered to the wealthy—and who had been catered to by the wealthy. One of the tricks was to spot men who could cook and get them to cooking. Many of them wanted to do something else.

Major Pitt went to France in June, 1944, with the First Canadian Army. On Christmas Eve he was in a jeep at Breda, Holland. What happened to the jeep no one knows or will ever know. It was blown up, by a V-1 or a road mine. Pitt suffered various injuries, the worst being the loss of his left eye. His driver was also severely wounded but recovered.

In June, 1946, Colonel Pitt returned to Canada. By August he was again with the Canadian National hotels system, as manager of the Bessborough.

• • •

Heads Agricultural Institute

Because the Agricultural Institute of Canada is a professional organization, it's not surprising that its new president has been trained in three countries. But Dr. R. D. Sinclair was born in the Canadian West when it was quite young (that needn't make a man old today), and he returned from his training abroad to spend his entire working career there.

The Institute itself is stated to be "a national organization of professional workers in agriculture whose united effort has resulted in the advancement of Canadian agriculture and the enhancement of their professional status." It's actually some 28 years old, though not under its present name. Some may recognize it by its old title, "the Canadian Society of Technical Agriculturalists," which was dropped in 1945 at the same time as certain reorganizational measures were incorporated. Institute membership now stands at 2,100, and these are organized into 23 branches, one of which is in Great Britain.

The Institute's annual meeting is scheduled for June 21 to 24 at the Ontario Agricultural College, Guelph, and it is here that Dr. Sinclair will take over his new office.

Dr. Sinclair was born at Innisfail, Alberta, in 1892. He graduated from the University of Alberta in 1918. Then he went to the United States to take more advanced training at Iowa State College. Next it was an overseas jaunt to Britain, and the University of Aberdeen and finally Cambridge.

Back home, his teaching career began at the Olds School of Agriculture in Alberta. Then he was in Winnipeg serving as associate editor of the "Farmer's Advocate." These stints were relatively short, however, for he rejoined his Alma Mater, the University of Alberta, in 1922 as a member of the teaching staff. Today he is dean of the faculty of agriculture there.

Dr. Sinclair's special field is animal science, and he still occupied the position of professor of animal husbandry, in addition to his duties as dean. He's also a member of the National Advisory Committee on Agricultural Services, and chairman of the National Swine Committee.

What Others Are Saying

Editorial of the Week

Why Cars are Expensive

Calgary Herald

The purchaser of a $2,100 car today is paying $288 in excise. If he buys a $2,700 car he pays $438 in excise. So long as the shortage continues, buyers will be willing to pay these enhanced prices.

But the automobile industry, like many other industries, depends on new customers to maintain its heavy volume of mass production. The time is approaching when present demands—mostly from the more well-to-do class—will be met. What of the young family man, for example, who wants to buy a car for the first time? He may, as many potential buyers have decided to do, keep postponing his purchase in the hope that prices will come down.

But if too many potential purchasers stay out of the market, the industry will encounter a dwindling market. A dwindling market means less production, and hence less employment in the automobile industry.

How long will the Dominion Government retain this onerous tax on automobiles? Only federal authorities know—if they do know. But it must be apparent that it cannot be continued indefinitely without doing serious damage to Canada automobile manufacture.

If the automobile were a luxury, some excuse for its continuance might be offered. But the automobile is a necessity in Canada, much more of a necessity, in fact, than in countries where other forms of transportation are more highly developed. Now that effective import controls have been established, the need for such heavy excise taxes to conserve currency has largely vanished. It would be a most welcome move for the man of moderate salary to restore them at least to their previous levels.

Other People's Views

A COUPLE OF U. S. TOWNS have declared a "leave us alone" week in protest against too many tag days and the move gets some mild sympathy from the Winnipeg Tribune. It states: "Most citizens of Winnipeg are naturally kind-hearted, and easy touches for anything that looks like a worthy cause. But their ready response does not mean that they do not think a few questioning thoughts as they pause to dig down for a tag."

RUSSIAN PROPAGANDA has now turned the ful circle, says the Vancouver Sun, which argues that the alliance of Moscow with the western powers was of the 'shot-gun' type in the first place. "Divorce is about final now when we find the Russian-controlled press of the Soviet occupation zone in Germany informing Berliners that their city was destroyed by 'indiscriminate' bombing of British and American fliers.

"No use being indignant about such propaganda. It has to be accepted that the Russians will use any means to win the affections of the Germans. It is not impossible that before long they will be telling them that Russia would never have warred with the Reich at all had not both sides been tricked into it by those artful imperialistic warmongers, the British and the Yankees."

REPLACEMENT OF Mr. Bracken by Mr. Drew as national Progressive-Conservative leader evokes no enthusiasm from the Owen Sound Sun-Times. "We think it would be a sorry day for the Progressive-Conservatives if such a change of leadership were made. Premier Drew has obtained widespread support from Ontario voters—not only from so-called 'dyed-in-the-wool' Conservatives, but also from those of independent mind. That does not mean, however, that he would necessarily obtain similar support in other provinces.

"Indeed, we suggest the reverse is true. In Ontario he might win more votes than would Bracken. On the whole, however, outside of Ontario, every point on which Drew differs from Bracken, in his personality, character and political outlook, would be a point against him. The very characteristics which some elements in the party, particularly in Toronto, dislike are the very elements which give Bracken strength in the country as a whole."

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Here's How Housing Picture Looks In Eight Major Canadian Cities

Continued from page 1

rials and consequent reduction of "waiting" time. No appreciable increase in individual productivity. Wages on way up again. General agreement which expired April 1 covered workers on projects valued at $15,000 and up. New agreements pending will cover all construction. (While only about one-third of building trades labor is unionized, all get benefit of union-won concessions under blanket Quebec provincial regulation.)

Montreal Island building trade unions' average demand now is for $1.35 an hour in 1948, up 29 cents or 27% from the $1.06 average of 1947. Settlement is predicted at something closer to the contractor-employers' proposal — so far approved by provincial government conciliation authorities — for an average $1.25 an hour, up 19 cents or 18% from last year. Crux here, as in most other parts of the country, is stubborn shortage in "trowel trades"—bricklayers, plasterers—despite influx of war veterans, and because boys by and large still aren't attracted in substantial numbers to building as a career.

Toronto — Toronto area's 13 municipalities this spring are setting up an all-time record in the district's housebuilding. Nearly 3,200 new houses and apartments were under construction at April 1, or about 15% more than a year ago. Builders attribute the gain in physical volume to: (a) early opening of the local building season; (b) unusually heavy carryover of unfinished houses from 1947; (c) recent buoyancy in the outlook for business in general; (d) apparent conviction on the part of the housebuying public that construction costs won't drop soon; and (e) real, if not intensified shortage of "small" housing accommodation. Most expect "completions" in 1948 will reach or exceed 5,000 new houses and apartments.

Housebuilding costs are still rising, though more moderately than in 1947. Costs of building in the Toronto area are at least 15% to 20% higher than a year ago, due mainly to renewal of "excessive" demand, with renewed business buoyancy.

Danger!—Stockpiles Dwindle

Materials stockpiled in winter aren't being replenished from production at anything like the current rate of deliveries. That spells possible trouble in July. Very tight are nails, brick, concrete block, cement in bags, steel water pipe, iron waste pipe, bathtubs. Shortages in iron and steel products are intensified by Ottawa's imposition six months ago of drastic curbs on U. S. dollar spending. Prices of building materials generally are up an average 10% in the twelvemonth since April, 1947, with nails spotlighted at even higher effective price increases. Housebuilders all over Canada report that to get needed quantities of nails they must buy in the "grey" market or in "split-keg" lots from retailers at from 50% to 100% above the "recognized" market price. Recent freight rate increase, and trend to higher wages in manufacturing have dulled hopes for any substantial decline in costs of building material this year or next.

Third-round wage hikes have been won by five trades so far this spring—carpenters up 15 cents an hour or 11% to $1.50; plumbers and steamfitters 12 cents or 8% to $1.60; painters and glaziers 10 cents or 9.5% to $1.25; hoisting engineers 15 cents or 12% to $1.40; electricians 17 cents or 11.5% to $1.65. Average gain over 1947 rates so far 14 cents or 10.4%. Two strikes are current — plasterers since April 1 for 40 cents or 26.6% to $1.90; stonecutters since May 3 for 20 cents or 13.5% to $1.75. A third strike threatens — bricklayers for 30 cents or 18.7% to $1.90. Other demands: cement finishers 40 cents or 33% to $1.60; rodmen 25 cents or 23% to $1.35; sheet metal workers 50 cents or 35% to $1.96. In no trade has individual productivity shown substantial rise.

Add $150 to House Cost

Example of impact on construction costs: With about 1,000 man-hours of carpentry in the average house, cost per house of the latest wage hike in that trade runs about $150. Union membership in Toronto district housebuilding extends mainly to "subcontractors' labor" — plumbers, electricians, plasterers, sheet metal workers. Few if any carpenters or bricklayers are in unions. But wage scales won by unions usually are reflected quickly in rates paid unorganized skilled labor. Against still rising wages, individual productivity is reported holding at record low, except possibly in carpentry, where slight improvement is attributed to growth in number of workers.

Winnipeg — Under construction in Greater Winnipeg at April 30 were an estimated 1,400 new houses and apartments. About 850 had been completed in the first four months. That was bigger volume than a year ago. But few observers count on equalling 1947's 3,387 "completions"; most think the 1948 figure will be something like 2,600, or 75% of 1948. Over-all costs are 5 to 10% higher than last spring, houses not so readily saleable, number of housebuyers able to make large cash payments noticeably lower.

Expect More Nails

Lumber and flooring supply easier, still easing; prices up 15 to 30%, may go yet higher on recent freight rate hike. Nails tighter but relief in summer possible with further production increase promised May 10 by Reconstruction Minister Howe. This would reduce "grey" market buying at double prices. Brick and concrete blocks easier, with prices up 5 to 10% and seen holding. Cement supply little changed, still tight, with prices holding 5 to 10% above last spring. Pipe much tighter and outlook uncertain, with prices up 10 to 12%. Bathtubs easier despite six-month-old import ban, with prices holding at about 10% above last spring's level.

In labor, all is wisdom and peace. Wages for the year settled in all trades, with electricians sole gainers, up 10 cents an hour or 8% to $1.35. All other trades have signed at 1947 rates but 40-hour week extended from two trades to all. Individual productivity rising "substantially"; most builders report virtual disappearance of wartime and postwar attitude: "you can't get along without me." Plasterers still scarce, workers in most other trades more plentiful than last spring. Builders' Exchange has proposed inclusion of housebuilding labor in AFL-TLC unions next year but no action yet and that group largely unorganized.

Regina—Volume of housebuilding this spring is said down almost 50% from a years ago and construction costs off 10% or more, contrary to experience in most cities. Immediate outlook is for further decline in volume and costs, though more slowly. One major factor cited as curbing Regina and Saskatchewan building plans is "scarcity of money." Another is decline in demand in face of prices about double those of 1939.

Nail supply is said 50% off from a year ago, with price about 25% higher; pipe supply 20% off and up 15 to 25% in price. There is 50% more lumber available to buyers at 10 to 15% increase in price, 25% more brick, cement, concrete blocks at 10% higher price, 25% more bathtubs at 15 to 20% higher price.

Begins Painters' Strike

Painters, decorators and glaziers struck since May 6 for 15 cents or 15.8% increase to $1.10 an hour. Carpenters negotiating for 20 cents or 16.6% to $1.40. The rest have made new agreements with average increase 14 cents or 11.2%—plumbers and steamfitters 10 cents or 7.7% to $1.40, electricians 15 cents or 12% to $1.40, bricklayers 15 cents or 11% to $1.50, sheet metal workers 15 cents or 14% to $1.20. Productivity reported up 10% since last spring, mainly in carpentry, bricklaying, plastering. Housebuilding labor not organized.

Calgary—Volume of new business for the housebuilding industry is off sharply from a year ago. Municipal building permits in opening four months at 220 show 32% decline in number, at $1.3 millions a 28% drop in value. Despite this, most real estate agents predict the year's volume may be close to that of 1947. They say much of the early lag is due to bad weather, point to an improving flow of some materials, new hopes for leveling of costs.

Example of rising costs cited by local builder: A 940-sq.-ft. house with 10,000 board feet of lumber built to identical plan in 1944 and 1948, in the latter case cost $7,900, up 41% with lumber at $550, up 83%; carpentry hours 960, up 39%, and carpentry wages at $1,500, up 110%.

Lumber much easier, but at 30 to 46% price increase since last spring, excepting framing fir from Alberta which so far has held at price of a year ago; little if any further price rise expected. Nails much tighter. Most of Canadian product at $9.55 a 100-lb. keg, up 7% from a year ago, goes to veteran priority housebuilding and general construction; most builders must buy largely in "grey" market at $14 a keg f.o.b. Toronto. Some relief expected with production increase promised by Mr. Howe. Brick, cement, concrete blocks easier, with price up 10% and holding. Plumbing materials easier but quality lower and, for most lines, three price increases last year. Pipe prices this month go up 10 to 15%; kitchen sinks at $19.15 up 15% from last spring.

AFL-CIO jurisdictional strife keeps Calgary building strike-free. Plumbers are before arbitration for 35 cents or 27% increase to $1.65 an hour, but indications suggest settlement at about 15 cents or 11.5%. New agreements made give carpenters 15 cents or 12% increase to $1.40 an hour, sheet metal workers 20 cents or 16.6% to $1.40. Electricians have signed for 1948 at $1.35, up a dime from 1947. Most Calgary district housebuilding labor is unionized; the AFL brotherhood has 508 carpenter members, the CIO Amalgamated 302.

Edmonton — Unlike Calgary, Edmonton and district report housebuilding volume this spring much greater than a year ago. Municipal building permits in the opening four months show a housebuilding total close to $2 millions, up 46% from a year ago and 60% of that total added in April alone. Rise in construction cost since last spring is put at about 10 to 15%. Bolstering continued gain in building volume is persistent growth of population, with recent oil field expansion providing latest filip.

Plumbing Much Tighter

Lumber supply is easier than a year ago but the bill for an average house is up about 10%. Nails tighter, though relatively plentiful supply of U. S. "grey" product at prices at least double the 9½ cents a pound being paid for Canadian nails on veteran priority. Brick in easier supply and price unchanged. Cement no tighter but still scarce and prices up about 5%. Pipe, bathtubs and other plumbing tighter and prices up 20%.

In peace and quiet, Edmonton building labor has won a modest third-round wage hike giving each trade 15 cents an hour more for an average 11.5% increase. Bricklayers at $1.75 show a 9% gain, carpenters at $1.40 up 12%, painters and glaziers at $1.25 up 13.5%, plumbers and steamfitters at $1.50 up 11% and sheet metal workers at $1.45 up 11.5%. Most housebuilding labor in the area is unionized, but only an estimated 25% fully qualified. Individual productivity still in the "excessive demand" doldrums.

Vancouver—The West Coast's housebuilding boom is still going strong.

Residential construction contracts awarded in British Columbia during the opening quarter, as tabulated by Maclean Building Reports, are valued at $5.4 millions, up 129% from a year ago. Municipal building permits (covering all kinds of building construction) at $19 millions for 28 representative centres are up 17%, and at $7.5 millions for Vancouver also up 17%. As at April 1, DBS reports over 4,300 new houses and apartments under construction in Greater Vancouver, more than in the Toronto area and exceeded only by Montreal Island.

Lath Key Shortage

Coast builders are setting up a renewed cry for gypsum lath and metal lath. But, unlike their fellows in most other Canadian regions, they don't seem greatly concerned over nails—consensus: "nails are tight, but no more so than a year ago; most of us are getting by." Nail prices are up 15 to 25%. Lumber supply is easier except finishing grades and up 10 to 20%. Brick, cement, concrete blocks relatively plentiful at 5 to 10% price increase. Plumbing materials and fixtures tighter and prices up about 15% since last spring.

Strikes? Nobody knows yet. Nor has the wage pattern emerged—1948 agreements are still to be made. But demands so far average 24 cents an hour or 18%—carpenters want 30 cents or 21% to $1.70; plasterers 23 cents or 16% to $1.70; painters 20 cents or 17% to $1.40. What happens in plastering and carpentry will set the pace of demands yet to be heard from bricklayers, now earning $1.60 an hour, plumbers and steamfitters, now $1.50 and electricians, now $1.50. Vancouver district housebuilding labor is about 50% unionized.

Last winter's lag in coast building, only partly seasonal, took the edge off demand for carpenters and certain other classes of building tradesmen. Result: Individual productivity is said to have risen an average 10 to 15% for all trades in the Vancouver district.

BUSINESS THIS WEEK

	APR.	MAR.	FEB.	JAN.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dominion total revenue	....	....	....	244.3	236.6
Dom. total expend.	....	....	....	149.2	171.3
MERCHANDISING					
Dept. store sales index no. (1)	....	....	195.1	192.8	189.3
Retail sales index (no.)	....	....	198.7	211.8	188.1
Wholesale sales index (no.)	....	....	239.5	244.6	231.4
FINANCE					
Dividend payment index (5)	195.1	194.5	193.4	192.9	159.3
Bank debits	....	....	227.5	246.8	229.4
Money supply (millions $)	....	....	746.6	7,479	7,555
NEWSPRINT CAPACITY					
Production ratio	....	99.1	99.1	98.6	101.8
Shipment ratio	....	97.3	95.5	92.1	102.1
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.)	....	226.8	186.3	210.1	205.7
Cars (D.B.S.)	....	164.6	159.6	172.3	151.9
COST OF LIVING					
aD.B.S.	151.6	150.8	150.1	148.3	130.6
EMPLOYMENT INDEX					
All industries	....	189.0	189.3	193.7	180.4
Manufacturing	....	202.5	200.7	199.9	194.5
Payrolls (June 1/41=100) (2)	....	188.8	185.4	178.2	[illegible]

	1948	1947	1948 Jan. 1 to date	1947 Jan. 1 to date	% Change
RAILWAYS—(000's emitted)					
aCarloadings (week May 1)	74.4	75.2	1,304.9	1,247.0	+4.6
C.N.R. gross rev. (Mar.)	38,651	36,350	106,670	100,276	+6.3
C.N.R. net rev. (Mar.)	2,838	4,077	1,545	5,478	−71.8
C.P.R. gross rev. (Feb.)	24,286	21,036	49,212	44,394	+10.8
C.P.R. net rev. (Feb.)	−334	1,027	−230	−840	−72.6
IRON AND STEEL (000's emitted) (Feb.)					
Pig iron production (tons)	151.1	150.6	311.2	327.9	−5.1
Steel production (tons)	239.6	229.2	496.4	479.0	+3.6
CONSTRUCTION (000's emitted)					
Contracts awarded (Mar.)	61,350	38,353	128,500	136,516	−5.9
Cement prod., bbls. (Jan.)	1,008	853	1,008	853	+18.2
AGRICULTURE (000's emitted)					
Flour prod., bbls. (Mar.)	1,872	2,354	5,560	6,908	−19.5
Flour exp., bbls. (Mar.)	1,089	1,356	2,860	3,966	−27.9
Wheat exp., bush. (Mar.)	10,112	7,983	28,893	30,282	−4.6
Cattle sales (Mar.) (4)	134.0	89.4	383.9	306.5	+25.2
Hog sales (Feb.) (4)	571.6	344.9	1,626.8	1,050.3	+54.9
SEA FISHERIES (000,000 emitted)					
Catch, lb. (Mar.)	90.4	36.9	240.0	143.4	+67.4
Landed value $ (Mar.)	1,480	1,240	5,667	3,595	+57.4
NEWSPRINT (000's emitted)					
Production (Mar.)	388	372	1,104	1,084	+1.9
Exports, tons (Mar.)	381	374	1,060	1,038	+2.1
MINING AND OILS (000's emitted)					
Coal prod. (tons) (Mar.)	1,629	977	4,168	3,814	+9.5
aGold prod. (fine oz.) (Feb.)	262	223	536	457	+17.3
aPetroleum prod. (brl.) (Feb.)	780	535	1,557	1,132	+37.6
ELECTRICAL POWER OUTPUT (000,000's emitted) (Mar.)					
aTotal monthly kw.h.	3,704	3,907	11,017	11,397	−3.3
FOREIGN TRADE (millions of $)					
Imports (Feb.)	182.2	177.1	388.2	350.9	+10.8
Exports (Mar.)	228.4	209.0	672.0	597.1	+12.5
FINANCE (millions of $)					
Bank debits (Mar.)	6,277	5,737	18,319	17,550	+4.4
Bond sales (Mar.)	660.8	826.1	1,641.8	1,572.4	+4.4
Life insurance sales (Feb.)	101.5	100.2	200.5	201.6	−0.6
OTHER INDUSTRIAL FACTORS (000,000's emitted)					
Shoe prod. (Feb.)	2,706	3,300	5,157	6,432	−19.9
Cigarette cons. (no.) (Mar.)	1,169	1,314	3,780	3,670	+3.3

(1) Base period 1935-39=100.
(2) All industries.
aNew items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, etc.

J. ARTHUR MATHEWSON

former provincial treasurer of Quebec, has been elected a director of Canada Steamship Lines Ltd.

CPT Expansion in West Causing Truckers Concern

Entry of Canadian Pacific Transport Co., a subsidiary of the Canadian Pacific Railway, into the trucking business in a big way in Western Canada, is causing some concern among fellow-members of the Canadian Automotive Transport Association, The Financial Post understands.

In CPR's annual report it was stated that CPT had acquired a highway transport company serving the Okanagan Valley. This is the O.K. Valley Freight Lines at Penticton, B.C., operating throughout the Okanagan Valley. Since the first of the year CPT has acquired Hedges Freighter and Dinsdale Storage & Cartage, both of Brandon, Man., and Dench of Canada at Calgary.

Purchase of these companies has given CPT routes from Winnipeg to Brandon and from Brandon north and Brandon west into Saskatchewan. And the Dench company purchase has given it routes in Alberta and for interprovincial traffic from Alberta into British Columbia and Saskatchewan. There are still one or two gaps in CPT's routes to be filled before the company has a through route across Western Canada to the B. C. coast.

Two questions in the minds of other truck transport operators are. (1) Is Canadian Pacific Transport entering the trucking business on a "competitive" basis? (2) What is CPT policy with respect to provincial versus federal transport regulations?

Since CPT is a subsidiary of a railway, other truckers wonder if the subsidiary is going to compete with its parent for business. What they would like, it is said, is some assurance that CPT is in the business as a truck operator and not an instrument in the hands of its parent to get a monopoly grip on the trucking business; thus restricting highway transport competition.

According to a Canadian Pacific Transport Co. spokesman, the company will endeavor to conduct an efficient highway transport business; in these acquisitions the program calls for retaining existing personnel and services.

With respect to provincial versus federal transport regulations truckers point out that the railroads have been in favor of federal rather than provincial regulations. It has been contended by railway company men that the truckers should be regulated on the same basis as the railroads. Question truckers are asking is: does CPT favor provincial or federal regulation? As a CATA member, CPT would normally favor provincial rules, it is said. Does its position as a subsidiary of a railroad company, however, mean that it takes sides with the railroads in favor of federal control?

Objective observers think there may be another reason for the truckers uneasiness. They say that with CPR now in the transport field it is logical to ask: how about CNR? If CPT makes money at its transport business, will CN also be tempted to enter? This, of course, would bring the Government into a field of transport which so far has stayed in the hands of private operators and might bring to a head the question of federal versus provincial regulation of highway transport.

Government and Corporation Securities

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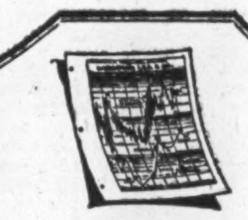

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MONTREAL

The Investor and Mr. Micawber . . .

"Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery."

Mr. Micawber in "David Copperfield".

The investor has much in common with Mr. Micawber.

Since most investors establish for themselves a style of living, they depend upon a constant flow of income from investments to maintain it. Anything which interrupts that flow—such as the withdrawal of capital from employment—jeopardizes their ability to cover living expenses. Failure to keep income and expenditures in balance, as Mr. Micawber found, results in "misery".

The importance of regular investment income has long been emphasized by investors in England where it is the custom to regard wealth in terms of annual income rather than in terms of the capital amount which produces it. Minor changes in the market price of securities cause them little concern as long as income is received when due and the underlying security of the invested principal remains intact.

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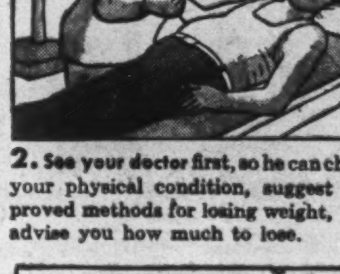
WATCH YOUR WEIGHT

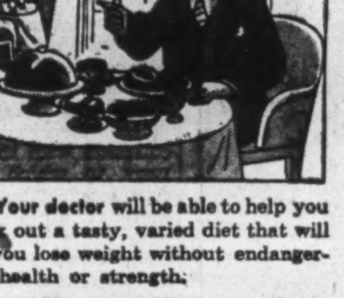
1. Once you're over 30, it pays to *watch your weight.*

Under 30, a little overweight may be an advantage. But statistics show that when you are older, overweight is often associated with heart disease, kidney ailments, high blood pressure, diabetes, and other diseases.

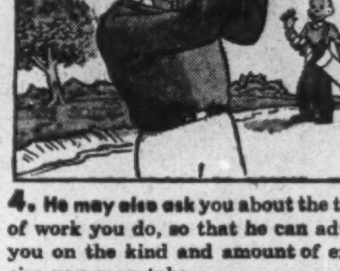
So, if you're overweight, give some thought to protecting your health by bringing your weight down.



2. See your doctor first, so he can check your physical condition, suggest approved methods for losing weight, and advise you how much to lose.



3. Your doctor will be able to help you work out a tasty, varied diet that will let you lose weight without endangering health or strength.



4. He may also ask you about the type of work you do, so that he can advise you on the kind and amount of exercise you may take.

5. It's wise not to use reducing drugs, or to try special diets unless your own doctor recommends them. They may do *you* more harm than good.

6. Once your weight is down to normal, try to keep it there. Remember that one step toward a longer, healthier life is *watching your weight.*

To bring you other helpful information about your weight, Metropolitan has prepared a free booklet called "Overweight and Underweight." It includes suggested low-calorie menus, and reducing exercises.

Address your request to Booklet Dept. 58Y, Canadian Head Office, Ottawa.

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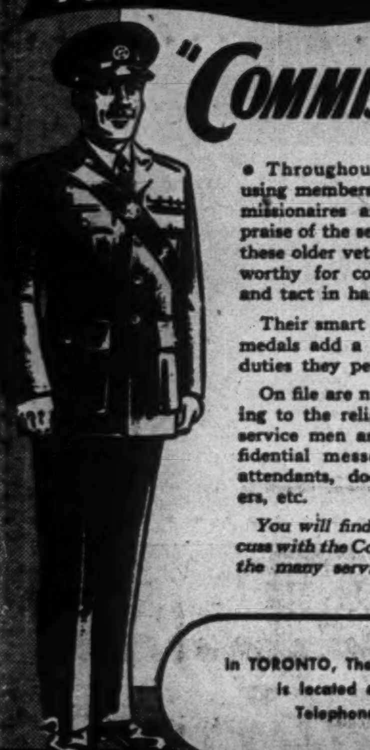

• Throughout Canada, employers using members of the Corps of Commissionaires are unanimous in their praise of the service. They have found these older veterans particularly noteworthy for courtesy, trustworthiness and tact in handling the public.

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THE ADVERTISING BUSINESS By WALLACE GILLESPIE

Advertising and Marketing Methods Under Internal Auditors' Microscope

Advertising and sales managers may be seeing a lot more of their internal auditors following some advice handed out in Toronto last week.

The auditors were told that they have concerned themselves too exclusively with production costs; that they ought now to be looking into the whole field of marketing costs.

The occasion was the fourth anniversary dinner of The Institute of Internal Auditors Inc., Toronto Chapter. The speaker: John B. Thurston of New York, who is associated with Wallace Clark & Co., consulting management engineers.

Condensed is his main thesis: "Because, in the past, scientific techniques have not been applied widely as a means for establishing marketing on a fully efficient and effective basis, vast opportunities exist today to accomplish this.

"Internal auditors have always clearly recognized their responsibility for auditing production cost accounting systems and their responsibility for calling the attention of top management to ineffectual production cost account systems. However, too often the internal auditor has paid little attention to marketing and, in many instances, has failed to call management's attention to the need for effective distribution cost system.

"Distribution cost accounting is designed to inform the responsible executives of the unit cost of marketing by products, by areas, by salesmen, and by other distribution media such as jobbers and middlemen. Where a company markets a variety of products, management is in no position to know which products are being sold at what profit, unless it has an effective distribution cost accounting system. It is up to the internal auditor to serve management in this regard."

How? What, precisely, should the internal auditor do in the marketing end of business? Mr. Thurston broke his answer down according to various marketing functions.

Pricing: "Pricing policies can and do determine the success or failure of many businesses. Despite this, many companies do not establish prices on a scientific basis, but rely on competitive pressure or just plain guesswork as basis for establishing prices. More often than not, in this expiring era of the seller's market, prices have been established on the basis of the naive policy of charging what the traffic will bear. The internal auditor should determine how prices have been arrived at, and appraise their effectiveness. This point should be clear: correct pricing increases profits, extends markets, lowers consumer prices (in all logical instances), and reduces marketing costs."

Packaging and packing: "The design and size of a package may have a material effect on sales volume . . . the internal auditor can ascertain what action his company has taken to match marketing trends. Final packing for shipment must be suitable. It must be adequate to prevent damage, but not to such an extent that costs eat unnecessarily into profits. The internal auditor can examine damage claims as a basis for curing the first of these situations, and can make observations of goods packed for shipment as a means for determining what should be done about the second. Modern material handling equipment should be used for loading in all practical instances."

Shipping and warehousing: "It should be determined whether railroad, truck-trailer, airplane, or other means of transportation most nearly meet the marketing and other customer service requirements of a given company. . . Recently, in the instance of a large and well-known United States corporation, the internal auditor discovered a major fraud. This was being committed through the device of submitting shipping invoices for payment twice, in collusion with the trucking company to which the work was contracted. Now, this company matches all customer invoices with the trucking bills. . . . In many cases warehousing adds a material item of cost to the final product. Some of this may be unnecessary."

Sales force: "One company, with an outstanding sales record in a highly competitive industry, spends 62% of the man-hours of the sales organization in obtaining complete knowledge of the company's prospective and existing customers. The files in each, contain up to 450 pages of detailed information. As a result, the company averages 37% of its customer's business, while 10% is the high among its competitors. The internal auditor can help the sales manager in seeing that such records exist, that they are kept up to date, that they are accurate and that they are used."

Advertising: "Out of a total gross national product in the United States last year of $232 billions, the advertising business took $3 billions, or 1.3%. However, this is below the normal ratio. Studies show that customers normally pay three cents out of every dollar for advertising. Consequently, despite 1947's big take, advertising men feel that today they are not getting their fair 'take' out of the national income. If they are right, and if more money is to be spent for advertising, it should be spent judiciously and well. . . . The advertising aspect of marketing must receive a more critical appraisal by top management. And advertising cannot be neglected by the internal auditor."

Market research: "(The internal auditor) can verify mathematical accuracy of the standards established by the market research organization; he can ascertain that the methods employed are not wasteful, and he can take other steps to assure top management that it is obtaining best results from its market research corganizations."

'People Like Commercials' That's What Surveyman Says

Is there a lesson for Canadian merchandizers in the following scraps of information?

Ale outsells beer in New York, but the reverse is true in Boston.

The Arrow Sport Shirt, which is the current rage in Hollywood, may gather dust on the shelves of a Boston department store.

International Silver's 1810 pattern, an absolutely plain design, is outstandingly popular in New England, where it fits in with colonial decoration; but it sells very slowly in the south, where a flowery pattern, is more acceptable.

Wintergreen is a popular confection flavor in the Northeast (United States), but peppermint far outsells it elsewhere.

Twin beds sell well in metropolitan areas, but in Watertown, New York, where the weather is cold and where the population is composed largely of retired farmers, double beds outsell twin by five to one.

Celanese dresses are hard to sell in the Southwest, because they are allergic to natural gas, which is so freely available there for heating and cooking.

These tidbits have a U. S. locale, but they were cited in a Toronto address recently to illustrate this point:

"Field trips (by merchandising men) are important, not only as an emergency measure when sales hit a snag seasonally, sectionally, or competitively, but also as a means of keeping fully abreast of the times, at first-hand, from a national marketing viewpoint. They provide a 'feel of the market' which is essential to all good advertising and which is difficult to obtain in any other way."

The speaker was Walter Washburn, merchandising executive of Young & Rubicam, Inc. (New York). He delivered the fourth lecture in the "Marketing Know-How" series, sponsored by the University of Toronto's extension department and the Advertising and Sales Club of Toronto.

He came armed with slides to illustrate visual advertisements and a playback machine to reproduce 10 continuous minutes of radio commercials.

"Almost twice as many people like commercials as dislike them," he reported. "Even if radio programs could be produced without advertising 62% would still prefer the commercials, 35% would elect no advertising, and 3% are undecided."

Mr. Washburn also gave the results of a survey which purported to show what the public thinks of radio generally. It showed 82% of the people thinking that radio is doing an excellent job—as a public service.

On the same question, relating to churches, the rating was only 76%; schools 62%, local government 45%.

Mr. Washburn devoted much time to printed advertising, giving reasons why some of the advertisements illustrated received higher ratings than others.

"In the average issue of any magazine," he said, "the best-read advertisement often reaches 10 times as many readers as other advertisements of the same size. Frequently the ratio is 14 to 1, 20 to 1, or even higher. In other words, one advertiser may get 20 times as much for his money as another."

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

B.C. TURF & COUNTRY CLUB income from all sources increased $38,131 to $403,429, in 1947, but higher operating costs, particularly increased purse awards, resulted in final net loss of $10,721.

While it was a disappointment to face a deficit, despite increased attendance and higher income, it becomes apparent, company states in annual report, that dominant factor is the inequitable distribution of racing revenues. The provincial government takes a straight 7% on pari-mutuel handle; Dominion Government takes a straight 5% from total handle, through a Wartime Measures Act. Directors have launched a vigorous campaign for re-adjustment, insisting such is necessary if racing is to continue. The company has lost approximately $11,000 in two years of operations, but has paid the two governments over $868,000, it is stated.

The company has sold the Randall building for $225,000 with a deposit made by the purchasers.

INCOME ACCOUNT

Years Ended Oct. 31:	1947	1946
Total income	$403,429	$365,298
Less: Oper. exp.	377,378	335,716
Operating profit	26,051	29,582
Less: Adm. exp.	4,125	3,750
Mtge. int.	4,125	3,750
Depr.	112	96
Loss on invests.	25	......
Net loss & deficit	10,721	537

CONDENSED BALANCE SHEET

As at Oct. 31:	1947	1946
Cash	$22,062	$112,339
Accts. rec.	34,108	3,463
Invests	41,175*	......
Total curr. assets	97,345	115,802
Misc. assets	90,579	89,896
Inv. & adv. subs.	700,423	693,672
Fixed assets*	219,755	222,282
Total assets	1,108,102	1,121,652
Accts., etc., pay.	18,011	12,569
Mortgage pay.	10,000	10,000
Total curr. liabs.	28,011	22,569
Deferred liab.	1,945	216
Mortgage	80,000	90,000
Capital stock	950,000	950,000
Capital surplus	59,404	59,404
Deficit	11,258	537
After depr. of	7,478	3,731
Working capital	69,334	93,233

BELGIUM GLOVE & HOSIERY CO. OF CANADA gross income was moderately higher in 1947, but after charging operating expenses and providing for depreciation and income taxes, net profits were 1.9% lower at $129,109.

Program of modernization of stores was carried forward during the year and three Toronto stores and the Ottawa store were rebuilt, work requiring closing of each store for over three months. Notwithstanding closing of the stores and continued difficulty in obtaining merchandise, sales were maintained, President P. Cohen states.

A store has been leased on St. Catherine St. E., Montreal, and after modernization is expected to reopen in June. Company proposes to rebuild a number of other stores during the year.

CONS. INCOME ACCOUNT

Years Ended Jan. 31:	1948	1947
Gross revenue	$737,660	$731,938
Net earnings	246,246	296,066
Less: Depr.	9,545	11,427
Income tax	107,592	153,040
Net profit	129,109	131,599
Less: Pref. divds.	15,725	16,250
Com. divds.	30,000	26,250
Surplus for year	83,384	89,099
Earnings per Share and Dividend Record:		
Preferred	$8.30	$8.10
Paid	1.00	1.00
Common	2.27	2.31
Paid	0.60	0.52½

CONDENSED CONS. BALANCE SHEET

As at Jan. 31:	1948	1947
Cash & Dom. bds.	$49,751	$134,751
Call loan	100,000	......
Accts. rec.	384	2,500
Inventories	236,091	204,956
Total curr. assets	386,226	342,207
Misc. assets∆	119,457	114,937
Fixed assets*	200,499	148,999
G'will & org. exp.	987	10,806
Total assets	707,169	616,949
Total curr. liabs.	122,864	88,419
Mtge. pay.	57,894	61,630
Capital stock	336,000	350,000
Capital surplus	4,202	4,489
Earned surplus▪	186,209	112,411
*After depr. of	124,601	119,997
∆Incl. ref. EPT	110,337	110,223
▪Incl. ref. EPT.	7,505	7,391
Working capital	263,362	253,788

FEDERATED PETROLEUMS total net revenue at $79,751 in 1947 was up from $63,382 in 1946, mainly as a result of higher subsidiary profits and increased production income from Inter-City well. Net profits finished $13,869 higher at $41,450, after deducting increased production expenses and writing off greater amounts on development account.

The subsidiaries, Three Point Petroleums, Four Star Petroleums and Vulcan-Brown Petroleums, have instituted a new plan of operation on respective wells by installation of a compressor system.

The company holds substantial acreage in Jumping Pound area where Shell Oil Co. recently proved a gas reserve of importance.

CONSOL.▪ INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Subsids. profits	$40,338	$28,991
Prod'n:		
United No. 5	15,377	16,890
Inter-City well	32,848	27,290
Less: Royalties	12,289	11,193
Add: Other rev.	3,477	1,404
Total net rev.	79,751	63,382
Less: Prod. exp.	17,660	14,526
Admin. exp.	2,832	6,392
Depreciation	2,545	2,507
Depletion	233	1,789
Devel. w/o	14,165	9,722
Taxes	866	865
Net profit	41,450	27,581
Less: Dividends	44,308	44,308
Deficit for year	2,858	16,727
▪Excludes Coastal oils.		
Earned per Share	$0.028	$0.019
Paid	0.03	0.03

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & govt. bonds	$136,800	$183,356
Accts., etc., rec.	64,857	22,649
Mater. & supplies	372	1,223
Deposits	8	8
Total curr. assets	202,037	207,236
Def. & prep. chgs.	3,415	735
Investments (cost)	468,536	443,569
Org. expense	7,701	7,701
Development acct.	1,090,923	973,530
Exp. re aban. well	30,625	30,625
Land & leases	870,465	857,229
Plant & equip., cost	192,288	128,813
Total assets	2,865,990	2,649,438
Roy. pay.	4,165	4,442
Accts., etc., pay.	58,834	52,561
Taxes pay.	16,458	10,245
Total curr. liab.	79,457	67,248
Deprec. reserve	98,698	89,323
Depl. reserve	410,493	326,855
Recov. of cost	794,694	724,049
Minority interest:		
In net roy.	67,000	67,000
In subsid.	159,225	156,280
Capital stock	1,410,692	1,410,692
Oper. deficit	154,269	150,857
Capital deficit	......	41,152
Working capital	122,580	139,988

Help Inventors Meet Producers Is Manitoba Aim

Manitoba Mines & Resources Dept's bureau of industry and commerce is making new effort to bring together (a) inventors and manufacturers; (b) seekers after, and owners of surplus plant capacity. The bureau, in the first issue of its new information bulletin, asked the Manitoba manufacturer with surplus capacity to file particulars of his facilities; it observed that some of the foreign industrialists coming to the International Trade Fair in Toronto will be interested; added that Ottawa's Dept. of Trade & Commerce sought such information to meet new needs arising from the dollar-conservation control of imports from United States.

The bulletin also commends to industry's attention (a) a nonelectric fire and burglar alarm for houses, stores, etc.; (b) collapsible waterproof, portable grain storage bin of two-truckload capacity.

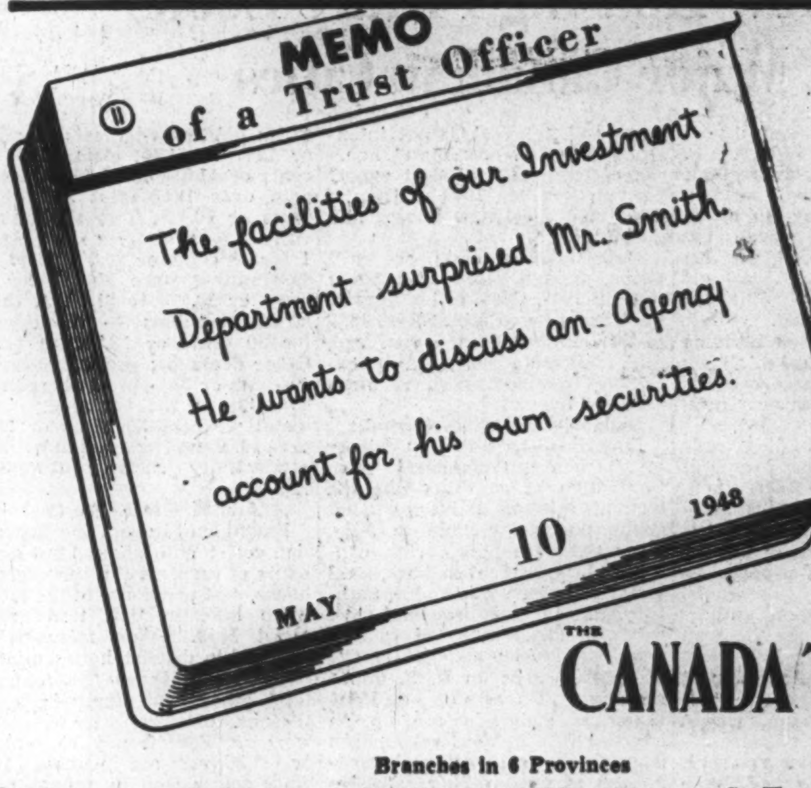
ORANGE CRUSH LTD. balance of option, comprising 74,418 shares at $8 a share, granted to Argus Corp., has not been exercised and the agreement has been terminated.

Traders Finance Issues New Bonds

A new issue of $2 million Traders Finance Corp. 4% sinking ing fund debentures, Series B, dated May 1, 1948 and due May 1, 1963, is being offered at $100 and accrued interest to yield 4% by a syndicate composed of McLeod, Young, Weir & Co., Nesbitt, Thomson & Co., and Gairdner & Co.

Proceeds of the issue, which constitute the unissued portion of an authorized issue of $4 millions, will be used for general corporate purposes.

Company business has shown a substantial increase with resumption of production of autos and other durable goods, President A. E. Naylor states in the prospectus. Notes receivable, after full provision for doubtful accounts, amounted to $11,361,000 at Dec. 31, 1946, and expanded to $25,550,000 at Dec. 31, 1947. This trend has continued and the comparable figure at March 31, 1948 was $28,043,000, Mr. Taylor said.



Inquiries invited

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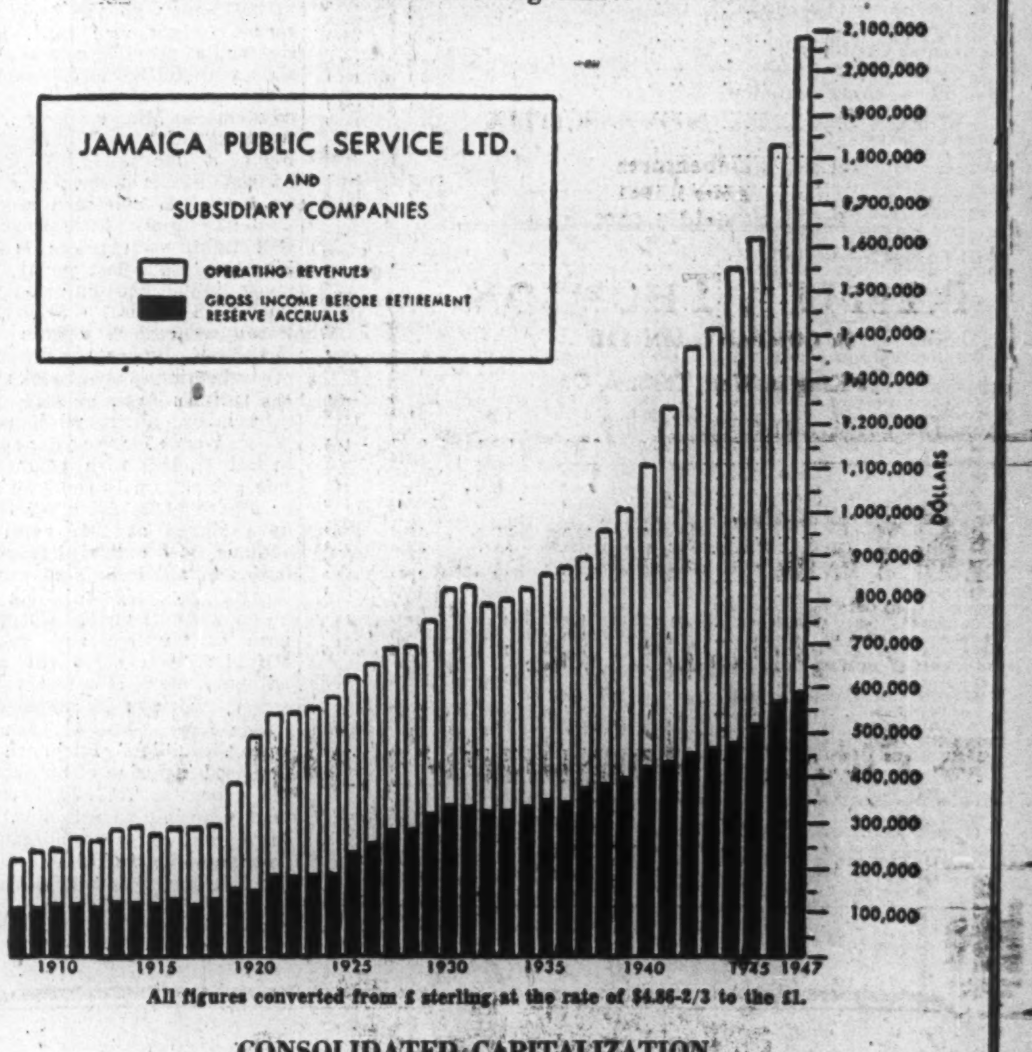
GROWTH AND STABILITY

The Upward Trend of This Utility's Business is Shown in the Following Chart:



All figures converted from £ sterling at the rate of $4.86-2/3 to the £1.

CONSOLIDATED CAPITALIZATION

Outstanding in the Hands of the Public, April 30, 1948

DEBENTURE STOCK:
Jamaica Public Service Company, Limited — £600,000
Series "D" 3½'s, due 1971

PREFERENCE SHARES:
Jamaica Public Service Company, Limited
Preference 7% Cumulative, $100 par value — $358,100
Preference "B" 7% Cumulative, £1 par value — £66,370
Preference "C" and "D" 5% Cumulative, £1 par value — £445,959

CAPITAL STOCK:
Jamaica Public Service Limited
No Par Value .... 135,000 shares

The company and its subsidiaries provide electric light and power for Kingston, Jamaica's principal city, and 12 other towns in various parts of the Island, as well as for extensive rural territory where electric power is used for irrigation pumping and other use.

In addition to three important hydro sites now owned, the Company owns the major part of a fourth hydro-electric site and have option on the balance. The Company operates two hydro plants with a third one practically completed. The hydro-electric plants located on the north shore transmits power to Kingston through a cross-island transmission line. A transmission line to supply hydro power along the north shore is under construction. This line will eventually connect Montego Bay territory to the rest of the system.

The company also conducts various ice operations and a tramways system in Kingston, as to which latter it has given public notice of its intention to abandon as soon as practicable.

Jamaica Public Service Limited, a Canadian company, owns all of the ordinary and certain of the Preference shares of Jamaica Public Service Company, Limited.

Dividends on all classes of Jamaica Public Service Company, Limited Preference Shares have been paid regularly since their issuance. Quarterly dividends on the Capital Stock of the Canadian Company were inaugurated on October 1, 1930, at an annual rate equivalent to 33 1/3 cents per share on the presently outstanding stock, which rate has gradually been increased to the present annual rate of $1.00 per share.

Jamaica Public Service Limited
and Subsidiary Companies

Serving
JAMAICA, B.W.I.

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PROVINCE OF NOVA SCOTIA
3¼% Debentures
Maturing May 1, 1962
Price: to yield 3.15%

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LABOR ROUNDUP

By RONALD WILLIAMS

Strike Storm Clouds Still Threatening; Rail Disputes Most Serious Since 1946

Not since the strike-torn days of 1946 had the North American industrial picture looked as threatening as it did this week.

Hanging like a cloud over the United States was the rail dispute, despite the last minute cancellation of the strike. Nothing had been settled. If anything the breach had been widened by the pressure brought on the union to call off the walkout.

The storm could still break. If it does, Canada wouldn't be able to avoid a serious economic buffeting. A U. S. rail strike would be almost as serious as a Canadian rail walkout.

Other U. S. strike worries:

CIO Autoworkers in Chrysler plants seemed almost certain to walk out. They were miles apart on wages.

Things weren't too happy between General Motors and the union although there was no strike talk.

Ford had been presented with demands for what amounted to a raise of 30c an hour.

The six-week-old packing house strike was still on, showed no sign of ending.

John L. Lewis opened his campaign against the hard coal operators.

In Canada, things were not as gloomy by a long shot. But the seeds of real labor trouble had been sown.

In Ottawa, Aaron Mosher, president of the CCL and the Canadian Brotherhood of Railway Employees, said he expected a strike on Canadian railways within 14 days. That was on Sunday. Mosher, an old-line conservative type of unionist, isn't given to alarmist talk.

The CBRE, a Canadian union, with the International Brotherhoods, are now taking strike votes. Returns are expected in two weeks. The unions have been holding out for 35c an hour raise. A Conciliation Board recommended seven cents. The CBRE has indicated it would be willing to accept something slightly more than seven cents. But there has been no such sign from the International unions.

The only other serious Canadian strike worry:

The bitter strike at Rogers Majestic Radio in Toronto was still on although there had been no further outbreaks of violence. The Communist-controlled CIO Electrical Workers appeared to have lost support of the workers by their questionable tactics (The Financial Post, March 8).

What had caused the sudden squall on the industrial front? Many attributed it to the bolstering of the U. S. economy by ERP spending and the increased defence program. When it looked like the U. S. boom was losing some of its steam and prices were leveling off, labor's big talking point for higher pay became somewhat dull.

Now labor feels it has become sharp enough again to needle industry into a third postwar round of wage increases.

• • •

Employment Still Booming

Another year of full employment with labor shortages the rule was forecast last week by Labor Minister Mitchell.

The way things looked when the prediction was made suggested the Minister was on reasonably safe ground.

Only 3% of the total labor force was out of work (4% in the United States). During the depths of the depression Canada had 27% unemployed (25% in the U. S.).

There were 4.8 million people at work in Canada during March. This was 100,000 more than a year ago and 1.1 million or 30% more than during 1939.

Labor income told the story even more graphically. Total wages and salaries in 1939 amounted to $2,565 millions; in 1947, $6,125 millions.

• • •

Robinson Out McGuire In

Having failed to convince three tribunals that he was not a Commnist, U. S. Labor Organizer Reid Robinson was packed off back where he had come from.

To replace him, the Communist-dominated CIO Mine, Mill and Smelter Workers transferred Tom McGuire from the U. S. West Coast to Northern Ontario. McGuire was no stranger. He had run the Kirkland Lake strike in 1942 and the 1946 strike at Noranda.

Meanwhile the CCL went ahead giving aid and comfort to the miners-unionists who rebelled recently against the Communist leadership. In Kirkland Lake, an organization committee was set up headed by Ralph Carlin, one of the leading anti-Communists in the mine union.

At the same time, Ralph's brother, Robert Carlin, the figure-head boss of the union, was finally tagged by the CCF. Carlin, who has represented Sudbury for the CCF in the Ontario legislature since 1944, was up for renomination as CCF standard bearer in the coming Ontario election (June 6).

However, the Provincial Council of the CCF repudiated him because "he has chosen to associate himself with persons who consistently follow the Communist party line."

Carlin, the CCF decided, "is no longer a suitable CCF candidate." The Sudbury CCFers then went ahead and chose Carlin's former campaign manager as their candidate.

Carlin announced he would run as an Independent.

• • •

Union Men Turn Salesmen

Local 740 of the CIO Auto Workers Union in Kalamazoo, Mich., is more than a mere union. Besides being unionists, its members are also middlemen, dealers, and consumers of the products they make—all because of falling sales.

Local 740 is in the Bowers Tool & Die Co., makers of cigarette lighters, table lighters and pipes. After the war, Bowers found that government surplus sales and other factors were cutting into their business volume. Some 250 employees were either laid off or put on part time.

Local President John O'Brien and the Union decided to do something about it. In analyzing the situation, the local decided that the products they made weren't selling partly because they weren't getting to the buying public. So Local 740 set itself up a sales agent, lined up other Auto Workers' locals in the area.

To these locals, lighters and pipes are sold at dealers' prices and the locals in turn, resell them to their members at regular prices. Thus the selling locals get their regular percentage of all lighters sold, and Local 740 gets its dealer commission and more jobs for the laid-off workers.

• • •

UAW Fills Publicity Educational Jobs

The CIO Auto Workers' release said Director George Burt was announcing two appointments: Bill MacDonald, to be the union's new educational director and Jerry Hartford to be public relations director.

Many observers felt that it would have been more to the point if International President Walter Reuther's name had been mentioned instead of Burt's. In both appointments, Reuther had the final say (because the International office pays their salaries).

This was the way Reuther had got rid of at least two of six of Burt's men whose politics he didn't like (by refusing to okay their pay cards). MacDonald, former rightwing vice-president of Local 195, Windsor, takes the educational job held by Drummond Wren, secretary of the Workers Educational Association; Hartford takes over Harry Rowe's typewriter.

At the same time, the UAW expanded its educational program by purchasing a 17-room house at Kingsville, Ont., on the shore of Lake Erie. It will be used as a summer union school. Week-end classes will be held in the winter.

The price: $35,000 plus $10,000 for furnishings and equipment. The money was advanced by the International Executive Board and will be repaid by the Canadian locals over a period of five years at $1 a member.

• • •

$5 Million Raise For Paper Workers

Some 14,000 AFL pulp and paper workers in Ontario, Quebec and Manitoba (not the woodsworkers who are under the thumb of the Communist-controlled AFL Lumber and Sawmill Workers) got a 10% pay raise last week. The minimum increase was 10c an hour, raising the basic rate to $1 an hour and the highest (boss machine tenders) to $2.64. The raise will add $5 millions to the annual wage bill.

Peaceful settlement continues the record of 25 years of strike-free operations. Companies involved included: Abitibi Power and Paper; Beaver Wood Fibre; Brompton Pulp and Paper; Great Lakes Paper; Kimberly-Clark of Canada; K.V.P.; Marathon Paper Mills; Ontario Paper; Ontario-Minnesota Pulp and Paper; Provincial Paper; Spruce Falls Power and Paper.

• • •

Monkey Wrench In Labor Code?

Last week, as the Parliamentary Committee on Industrial Relations began to gets its teeth into Labor Mitchell's proposed new Dominion Labor Act, something that could turn out to be a monkey wrench was tossed into the deliberations.

Four lake shipping companies, now embroiled in a bitter strike-fight with the Red-run Canadian Seamen's Union, challenged the Federal Government's jurisdiction in any labor matters.

It has been generally accepted that the BNA limits Federal jurisdiction to strictly federal or interprovincial fields like railways, shipping, communications, etc. The companies now question Ottawa's right to have anything to do with labor disputes.

Harold F. Stanfield Limited Appoints New Manager for Toronto Office

Harold F. Stanfield Limited announces the appointment of Mr. Allan T. Gowe as manager of their Toronto office. This appointment is effective May 1, 1948. Mr. Gowe comes to Harold F. Stanfield Limited from McKim Advertising Limited, Toronto office, where he has been a Senior Account Executive for some years. He brings to his new position seventeen years experience in advertising, merchandising and sales promotion.

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February 10, 1948.

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Yours very truly,
THE L. McBRINE CO. LIMITED,
J. A. Merklinger
Treasurer

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SHAW SCHOOLS

Govt. Asks Dominion Coal Modify Mechanization Plan

MONTREAL (Staff)—The Dominion Government has twice requested modification of the mechanization plans of Dominion Coal Co., President C. B. Lang told shareholders at the annual meeting.

In response to a government suggestion, the company on Nov. 13 submitted detailed plans, particularly for mechanized loading and the necessary coal-washing equipment, covering a five-year program. Estimated savings would permit complete repayment within eight to 10 years.

The Government on Jan. 31, asked for a modified and less comprehensive plan. This was done on February 18, together with a memorandum stating why such a procedure was not practicable. Within the past few days, another request for a further modified plan was received, he added.

Dominion Coal has also entered into an agreement with the Joy Manufacturing Co. of Pittsburgh, whereby they will jointly endeavor to engineer and produce the mechanized mining machine and improved loader suitable for use at its mines.

To counteract a general impression that its mines have not been mechanized, Mr. Lang stated that apart from mechanized loading machines, its mines were "substantially well mechanized."

Although general market conditions are to some extent uncertain, it is reasonable to assume that the full production of the mines this year will be disposed of, Mr. Lang stated.

Plans to Authorize Dividends

The Directors intend, unless unforeseen circumstances arise, to authorize the regular current preferred dividends and also gradually to reduce the arrears as earnings permit, he said.

Production in 1947 was only 2,526,208 tons due to a shortage of qualified miners during the early part of the year followed by a strike that completely closed all mines for about 3½ months.

As a result of increased production per man day following the settlement of the strike, together with some relief obtained from the removal of price ceilings, the government subsidy ended on Nov. 30, 1947. At the same time he made a point of distinguishing between subsidies (which are paid directly by the Government to a company whose operations are considered necessary in the national economy and whose costs, due to circumstances beyond its control, were in excess of prices realizable for its products) and subventions (which are payments to assist in the cost of transporting coal and do not accrue as revenue to the coal mining company).

If production is maintained, a substantial tonnage this year will be available to the St. Lawrence market, which will substantially reduce the importation of coal from the United States.

Labor Costs Increase

The contract with employees expired on Jan. 31, 1948, negotiations for a new contract started early in the year, resulted in an arrangement whereby wage increase of 40c a day was granted which together with previous increases represents a total increase of $3.93 per day, or about 106% over the 1939 basic wage rate.

Successful operation of the mines in future is almost entirely dependent upon three factors, Mr. Lang said. They are:

(a) Early completion of the installation of mechanized loading equipment.

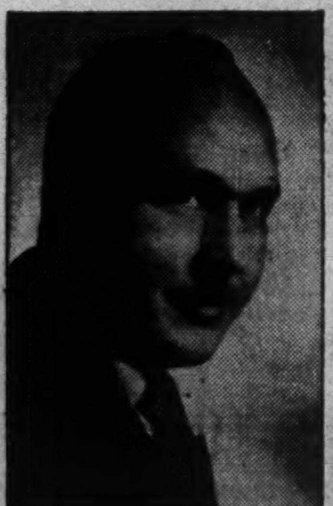
(b) Maximum production per man day.

(c) Continuance of the Government's subvention policy.

The company has experienced serious difficulty in securing sufficient freight cars; it is also concerned over the shortage of suitable ships for water transportation and the high rates of charter, he added.

OSULAKE MINES May 1 installment of 85,000 shares at $1 has been extended to May 31.

NEW APPOINTMENTS TO STAFF OF THE READER'S DIGEST



ANDREW J. CONDUIT

CARL M. DETTMAN

Mr. Conduit and Mr. Dettman have been appointed advertising representatives of The Reader's Digest in Canada. Mr. Conduit, who for over 12 years was associated with Liberty Magazine, will be located in Toronto. Mr. Dettman, who becomes advertising representative of The Reader's Digest in Montreal, was connected with The Windsor Star for 14 years, having been sales manager since 1940. *

HON. GEORGE B. FOSTER

has been elected a director of Combustion Engineering Corp.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

STANDARD TIE & TIMBER WESTERN LTD. 1947 net profit was off sharply at $23,306 ($123,411). The impact of two wage increases granted since the inception of the company was not fully felt until 1947. The consequent increase in production costs could not be countered by an increase in production due to inability to secure in time delivery of additional logging and other equipment which had been on order for many months, the annual report states. Further, during most of the year the export sales quota, on which the highest prices are realized, was set at approximately 32% of total sales instead of about 40% as in 1946. Also, due to failure to receive operating equipment, it was found impossible to obtain a supply of lumber sufficient to maintain operations during the period February to April, 1947, inclusive, so that almost three months' anticipated production and sales were not realized. During this period of inactivity overhaul of the sawmill was undertaken, the cost of which substantially reduced net profits.

From the viewpoint of production, the company is now in a stronger position than ever before, President H. L. Taylor states. Directors are confident that result for current year will show great improvement, it is stated.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Lumber sales	$598,124	$562,735
Net earnings	49,948	213,310
Less: Deb. int.	12,500	6,250
Amort. deb. disc.	1,650	825
Income tax	12,492	82,824
Net profit	23,306	123,411
Less: Pref. divd.	5,000	2,500
Surplus for year	18,306	120,911
Earnings per Share and Dividend Record:		
Pref.: Earned	$23.31	$123.41
Paid	5.00	2.50
Common: Earned	0.12	*0.81
None paid.		

*After 6 months pref. divds.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$11,690	$118,599
Accts. rec.	46,253	27,453
Inventories	80,102	86,580
Deposits	10,837	9,183
Total curr. assets	148,882	241,815
Prep. exp.§	13,159	9,894
Prep. & def. Chgs.	48,648	49,783
Sinking fund	111,846	57,033
Bldgs. & equip.*	362,446	316,740
Timber limits	120,000	120,000
Total assets	804,981	795,265
Total curr. liabs.	157,145	165,735
Funded debt	250,000	250,000
Capital stock	284,000	284,000
Earned surplus	113,836	95,530
*After depr. of	106,957	35,852
§Incl. in curr. assets in co's. report.		
Working capital	†8,263	76,080

†Excess of curr. liabs. over curr. assets.

TECH-HUGHES GOLD MINES income from bullion production was about $45,000 lower in 1947 when a smaller tonnage of higher grade ore was treated. Reduced dividends from the subsidiary, Lamaque Gold Mines, however, accounted mainly for drop in earnings from 11 cents per share in 1946 to 7.8 cents per share in 1947.

Limited exploratory work carried on in new ground of old workings gave sufficient encouragement to warrant exploration on levels between 25 and 40 where presence of numerous branch veins has been established, President D. L. H. Forbes states. Production in 1947 had to be subordinated to continuing work of mine restoration and development. Mine betterment program advanced to the point where favorable new ground south of the older workings can now be safely explored on nearly all levels between 25 and 40.

A long prospect drift was undertaken on 34 level to explore the Q vein some 400-200 ft. south of the main break. The vein, though narrow, proved persistent over the 700 ft. exposed, with spotty values at intervals. No ore was developed. Some exploratory drilling across the structure remains to be done.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Bullion prod.	$1,049,025	$1,093,701
Less: Oper. exps.	962,651	996,337
Oper. earnings	86,374	97,364
Less: Income tax	5,300	29,911
Add nonoper. inc.:		
Lamaque divds.	276,598	429,448
Int., gen. inv.	15,336	20,475
Invest. sale	......	10,728
Net profit	373,008	528,104
Less: Dividends	721,072	721,072
Deficit for year	348,064	192,968
Earned per Share	$0.078	$0.110
Paid	0.15	0.15

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$466,954	$844,651
Govt. bds., mkt. val.	784,670	884,670
Accts. rec.	9,516	303
Stores	192,129	186,717
Mining stocks†	126,342	81,669
Total curr. assets	1,579,611	1,998,010
Prep. & def. chgs.	13,472	7,610
Lamaque Gold M.‡	2,452,535	2,452,535
Other invests.	216,683	160,251
Mining props.	4,534,937	4,534,937
Plant & equip.*	30,744	23,382
Total assets	8,827,982	9,176,725
Accts. & tax. pay.	54,846	56,487
Other curr. liab.	292,533	293,372
Total curr. liab.	347,379	349,859
Capital stock	4,807,144	4,807,144
Surplus	3,673,459	4,019,722
*After depr. of	2,049,888	2,049,888
†Market value	123,350	86,408
‡No. of shs. held	2,405,200	2,405,200
Working capital	1,232,232	1,648,151

OPERATING STATISTICS

	1947	1946
Tons milled	71,360	91,302
Average recov.	$14.70	$11.98
Ore reserves, tons	250,247	263,939
Grade ($35 gold)	$12.67	$12.41

THREE POINT PETROLEUMS gross income from production in 1947 was $27,746 ($17,939 in 1946). Net profit was $238 ($639). Production from the company's Turner Valley well was substantially increased by installation of a compressor system, which reduced gas-oil ratio and increased the flow of oil.

Current assets at Dec. 31 1947, totaled $27,415, against current liabilities of $4,614.

Winnipeg Elec. To Apply For Fare Increases

From Our Own Correspondent

WINNIPEG—Passenger traffic on the street railway system of the Winnipeg Electric Co. which last year dropped 3% from the peak of 1946 is down again in the first four months of 1948, 2½% below the same period in 1947.

President W. H. Carter at the annual meeting of shareholders said the company proposed to proceed with its application for increase in fares as soon as it knew what wage increases it would be required to give its employees.

The application for fare increases was made to the Municipal and Public Utility Board several weeks ago but wasn't proceed with. Employees of the company have asked for the equivalent of a 27-cent-an-hour increase in pay and certain other adjustments equivalent to another 13 cents an hour. A conciliation board has reviewed the case of the company and its employees and is expected to report shortly.

If wage increases are recommended, the intention is to proceed with the application for fare increases to meet whatever increases on operations costs may be involved.

Expansion of the Seven Sisters Falls plant is expected to be advanced sufficiently to give an additional 50,000 hp by Nov. 1, Mr. Carter said. During the last four months the Manitoba Power Commission has been using between 8,000 and 9,000 hp. above the contracted amount but negotiations are under way for supplying additional power for the next four months, it was said.

Mr. Carter referred briefly to the Hogg report, and the unexpected increase in demand for power the country over. Under normal demands the company would be using all expanded facilities on the Winnipeg River by 1951 or 1952. Two or three years is required to secure equipment for power plants, however, and immediate steps must be taken to provide for the future, the president said.

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S.S. "Wentworth Park" or substitute, June 1/5 for Port au Prince, Haiti; Ciudad Trujillo, D.R.; La Guaira, Venezuela; Puerto Cabello, Venezuela; Barranquilla, Colombia.

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HYDRO - ELECTRIC POWER COMMISSION of ONTARIO has ordered two of the largest steam turbo-generator units to be installed in Canada for the new Windsor generating station. These units, rated at 80,000 h.p., 3,600 r.p.m., have been ordered from English Electric Co., of London, England, at a cost of approximately $3 millions.

Engineering design work is proceeding on other auxiliary equipment required, including boilers; majority of this auxiliary equipment to be fabricated in Canada.

The two turbos ordered are to be available for service—the first, on Sept. 1, 1951, and the second, on Nov. 1, 1951—so that 160,000 h.p. will be added to the generating resources of the Commission in time to meet the winter season peak loads of 1951-52.

English Electric Co. is affiliated in Canada with the English Electric Co. of Canada Ltd., St. Catharines, Ont.

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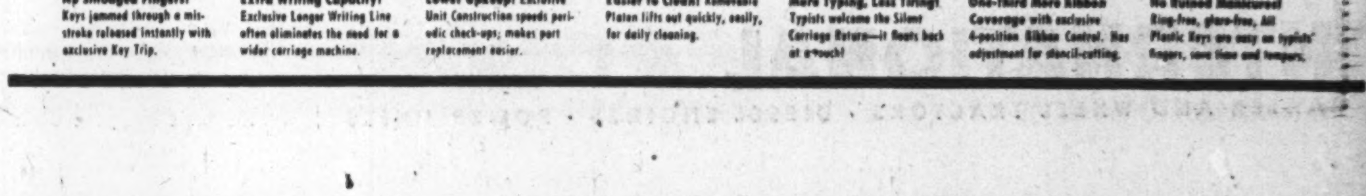

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The Company

The Company supplies electric light and power directly or indirectly to the towns of Amherst, Parrsboro, Springhill, Oxford and Joggins, and the districts of Nappan, Maccan, River Hebert, Port Greville, Advocate and Gulf Shore, in Nova Scotia. In addition, power is supplied to Dominion Coal Company Limited mines at Springhill and to other collieries in the Cumberland County coal fields, and to The Eastern Electric & Development Company, Limited, for distribution in Sackville, N.B., and adjacent territory.

The generating plant is located at Maccan and has a capacity of 19,750 h.p. This capacity is being doubled, and a transmission line is being built to Truro to connect with the systems of the Nova Scotia Power Commission and the Pictou County Power Board, which will make possible an interchange of power.

The total population of the area served by the Company is approximately 42,000 and the number of retail customers presently reached, directly or through other distributors, is in excess of 8,650. A rural extension program now underway will bring electric light and power to waiting consumers.

Purpose of Issue

The proceeds from the sale of these bonds will be used to reimburse the Company in part for capital expenditures made, and will enable it to proceed with its authorized construction program.

Earnings

The average annual earnings of the Company, after depreciation, for the past ten years, available for the interest requirements on the General Mortgage Bonds, were at the average annual rate of 2.5 times such interest requirements.

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CONSTRUCTION TRENDS

By CLIVE CHATTOE

Record Quarter Billion in 1948 Housebuilding Contract Forecast

Mortgage lending operations under the National Housing Act this year established a record first quarter total of 2,371 new housing units and $11.2 millions, almost three times the 888 units and $4.1 millions of a year ago, Central Mortgage & Housing Corp. reports from Ottawa. March figures are 1,203 units and $5.5 millions against 414 and $1.9 millions a year ago and 629 units at $3 millions the month before.

Exactly the same story is told for the very much larger volume of non-NHA housebuilding. Lumping both NHA-financed and other residential construction contract awards for Canada MacLean Building Reports shows housebuilding awards in the first four months at $83.7 millions, up 142% from a year ago; April $33.2 millions, up 113% from a year ago and 62% from the month before.

This definitely means a sharp across-the-board rise in physical volume, even allowing for increase of over 20% during the past year in cost of construction.

"Why?"

Partial answer is given in an analysis by Maclean Building Reports. This shows that all residential construction—individuals by contract, the Dominion Government and speculative builders—has climbed steeply. Awards by Ottawa's official Central Mortgage & Housing Corp. totaled almost $8 millions in the quarter, just about seven times the figure of a year ago. Apartment building awards top $5 millions against $1.3 millions a year ago. Other housebuilding contracted for in the quarter — including government awards—is valued at $45.4 millions against $17.7 millions a year ago.

These recent figures showing unexpected buoyancy in the housing market are beginning to bring forth suggestions the year will shape up with a quarter billion dollar contract total as against $213 millions in 1946 and $197 millions last year.

• • •

Factories, Engineering Show Decided Weakness

Against the new lease of life for the housing boom there has been a decided slump in factory and engineering undertakings in the opening four months as against a year ago, according to the MacLean Building Reports statistics.

Here is the record:

Engineering—Surprising weakness. Four months $28.6 millions, down 38% from a year ago; April $8.5 millions, up 15% from a year ago; 18% from month before.

Factories—Emerging from doldrums? Four months $22.9 millions, down 26% from a year ago; April $11.7 millions, up 89% from a year ago, 531% from month before.

"Business"—Bolstered by hospitals, schools. Four months $74 millions, substantially unchanged from a year ago; April $27.3 millions, up 16% from a year ago, 24% from month before. (In this category MacLean lumps commercial, institutional and public buildings.)

All types together — Four months $209.3 millions, up 10% from a year ago; April $80.7 millions, up 52% from year ago, 57% from month before.

• • •

Grab Big, Quick Profit Trading Builders' Houses

Is it mainly profit-gouging that has put the price of "low-cost" housing out of sight? Is the villain of the piece in many cases the small-scale property investor out to squeeze some easy money from housing shortage distress?

That the builder himself isn't always the culprit is fairly clear from quick examination of what some opportunist-traders have been doing recently in a typical suburban district (the following tabulation, culled from York County registry office records shows resales between June 1945 and Nov. 1947 of houses built by Eastern Agency Ltd., in East York township, near Toronto):

Am't. & date of bldr's sale	Am't. & date of first resale	Profit over bldr's price
$5,700 June '45	$8,300 June '47	$2,600
5,470 July '45	7,000 May '47	1,530
5,700 Aug. '45	8,300 Oct. '47	2,600
6,100 Oct. '45	7,700 Feb. '47	1,600
6,250 Nov. '45	8,000 Aug. '47	1,750
5,915 Feb. '46	7,200 June '47	1,285
5,950 Dec. '45	8,000 Nov. '47	2,050
6,950 June '46	7,950 Apr. '47	1,000
6,950 May '46	8,000 Aug. '47	1,050
7,400 Sept. '46	7,800 Jan. '47	400
7,400 Aug. '46	7,950 Apr. '47	550
6,700 Sept. '46	7,200 Feb. '47	500
6,798 July '46	8,500 Aug. '46	1,702
6,250 Apr. '47	7,300 Sept. '47	1,050

• • •

Can't See Lower Costs So Dusting Off Plans

A few years ago Halifax's proposed vocational high school was first estimated at about a million dollars. Now, Architects C. A. Fowler & Co. figure it will cost at least 50% more. Constructicon costs are still rising in 1948 but parties to the project—provincial government, Halifax city, Dartmouth town and Halifax county—have given a tentative go-ahead and contractors' tenders are being received by the Nova Scotia Highways & Public Works Dept. until noon May 17.

Belief in Halifax apparently is that prospect of a drop in building costs has waned; that costs may peak in 1948 and hold into 1950.

Real estate men increasingly are predicting a dusting off of recently shelved construction plans by companies, governmental bodies and individuals in tacit acceptance of the theory that since lower construction costs may be years away "there's no sense in waiting longer for needed new building."

• • •

House Prices Weaken If 'Warm War' Cools?

Some stiffening in the price of houses has followed warming of the "cold" war, it was indicated in discussion at the recent Toronto convention of the Society of Residential Appraisers, Great Lakes division.

Carl F. Distelhorst, of Chicago, American Savings & Loan Institute's director of education said recent events are of "sufficient magnitude to reverse any declining trend which might have been in the making. Indeed, they have in them seeds of further inflation. It's difficult to visualize any noticeable decline in building costs; much more likely that in 1948-49 they'll be higher. Fifteen to 20% above the present level doesn't appear unlikely."

And this from J. T. Bryden, Toronto, assistant general manager of North American Life Assurance Co.: "If the 'warm war' brings greater industrial effort, then we will see increase of inflation pressures, controlled interest rates, more public housing."

There was almost general agreement that recent weakening in price trends could not be expected to continue against ERP, tax cuts and any heavy rearmament spending.

Said Myron L. Matthews, of New York, vice-president of the Dow Service construction cost reporters: "The zip is gone out of the U. S. building cost inflationary spiral. Barring a major rearmament program, the outlook for 1948 is for continuation of costs at present levels this building season. Winter might bring minor cost recession, continuing into 1949 until costs have dropped about 10%. But if the war cloud darkens, look for reversal of this forecast."

• • •

Housing Space Demand Said Artificially High

Pungent expressions at the one-day international conference of residential appraisers:

Rental and eviction control has killed rental housing.

Public housing is being subsidized by home owners through taxes on houses.

The used home has increased in price out of all proportion to the market for new homes. Too great a premium is being paid for availability.

New homes are reasonable in price in comparison with other commodity prices. Myron Matthews put the Canadian house-builder's average profit at 7.3% but he said labor is more than 50% dearer than prewar and its productivity 30% less.

Temporary in-migrants have increased pressure for housing in larger centres.

Building costs vary greatly from city to city. What would cost $59,000 in Ottawa, would cost $61,000 in Montreal, $72,000 in Toronto and $100,000 in New York.

Volume of commercial construction in Toronto area "amazing."

Interest rates are upbound.

If we had 10% unemployment there would no longer be a housing shortage. Space demand is unreal. On this point H. O. Walther, of Chicago, vice-president of Bell Savings & Loan Association said that in Chicago there was growing feeling that if rent control were sharply eased or discontinued a good share of housing problems would be solved. "Some think we have a much more adequate supply of real estate than appears on the surface."

• • •

258 Miles B. C. Paving Awarded in One Year

British Columbia's provincial works department recently awarded contract for the last 70 miles of its record 258-mile 1948 highway surfacing program, one of the largest schedules of asphalt hard surfacing ever let in Canada in a single year. The job went to Storms Contracting (Pacific), Toronto, at about $314,525 or average $4,493 a mile.

Can. Fairbanks-Morse Shipments Up From '47

Shipments to date of Canadian Fairbanks-Morse Co. are in excess of the same period in 1947, President G. M. Niven told shareholders at the annual meeting. Volume of unfilled orders on hand is still large and indications are that the company will have a satisfactory year in 1948, he stated.

A new warehouse is being completed at Fort William, with occupancy expected in about a month. New warehouse and offices at Edmonton and Saskatoon were completed and occupied in 1947. Considerable work has been done on a new warehouse in Toronto, which should be ready for occupancy in September.

Vice-President George R. Wyer was elected a director, E. E. Jackson, treasurer; Fred M. Fairman, secretary.

Two Billion Dollars + in Capital Investment

Canadian spending for capital purposes is expected to reach another unprecedented high this year—more than two thousand million dollars before the year ends.

During the past two years, a substantial portion of the capital needed came from accumulated undistributed earnings and by recourse to borrowing from the banking system. Exhaustion of these funds, demands of stockholders for dividends, and changing national banking policy on credit extension, dictate that a larger portion of the funds required this year will have to be secured from public investors.

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NEWFOUNDLAND NEWSLETTER

Budget 'Solid,' But Island Cautious in Spending Plans

(Special Correspondence)

ST. JOHN'S—In what has been termed "a solid budget, with no startling surprises" Finance Commissioner R. L. M. James has predicted a surplus of $872,500 for the coming year, with revenues and expenditures at $39.4 millions and $38.5 millions respectively. Included in the expenditure figures are $2.2 millions in recoverable advances and $9 millions reconstruction expenditures.

As predicted (The Financial Post, March 27) this country had a deficit of $463,243 in the past fiscal year, with revenue and expenditure at $40.5 millions and $41 millions respectively. The expenditures in this case include $10.7 millions reconstruction costs and $3.18 millions in recoverable advances.

Revenue for 1947-48 exceeded by more than $3 millions the 1946-47 record, which was $3.8 millions over the previous record. Customs duties contributed $22.9 millions and the Assessor of Taxes $10.8 millions.

Cautious in Spending

The current financial year opens with an accumulated revenue surplus of $28,180,000, after last year's deficit has been taken into account. But of this amount, only $10,760,000 is in dollars, the remainder being in blocked sterling. Because of this, and because it may be necessary to use some of the dollar funds to finance fish sales to Europe (as was done last year), the Government has adopted a cautious spending policy.

This does not mean the Island is cutting out reconstruction expenditures, responsible for the deficit last year. It will provide funds necessary to carry on the existing services and capital works under construction; but in general, it will refrain from embarking on extensions or new projects.

Deficit on the Newfoundland Railway, whose express train was nicknamed "the Bullet" by Candian servicemen, is estimated at about $1.5 millions. This shows an improving tendency over the past two years, due to measures taken by the Government after consideration of the Wheeler report on the railway (The Financial Post, July 19, 1947). These steps include higher freight rates and passenger fares, and reduction of staff.

The education grant has been increased to $4.1 millions, $250,000 going to increase teachers' salaries.

More For Public Works

Public works expenditures will be increased $750,000 to $10.96 millions. This includes the cost of new public buildings such as a sanatorium on the West Coast and completion of work on various hospitals costing $3.47 millions; and $1.99 millions to be spent on reconstruction of existing roads and the building of new ones.

Another major expenditure under the heading of public works is Gander Airport, which will cost over $2 millions this year. Major portion of this, however, is recoverable over a period of years. The total includes $333,000 as the second installment of three due to the Canadian Government for RCAF buildings transferred at the end of the war.

The budget places Customs and Excise at the head of the list of revenue-producers with $21.7 millions. Next is the Assessor of Taxes.

"Disturbing Factors"

To this estimate of revenue, however, Commissioner James adds a rider. "These estimates are based on the assumption that the export trades and business activities generally will continue at a fairly active level. But, in existing circumstances, the revenue is liable to be affected by a number of disturbing factors and the yield of Customs, in particular, is difficult to estimate with precision."

Although there has been some agitation for removal of the wartime surtax on income taxes and a reduction of import duties in line with the recommendations of the Cost of Living Enquiry Commission (The Financial Post, July 12, 1947) no taxation relief has been given generally.

Death duty exemptions have been raised from $1,000 to $5,000, but where previously life insurance was exempt from death duties, it will now be treated as part of the estate for death duty purposes with an exemption up to $20,000 in the case of insurance for the benefit of the widow of the deceased.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

PRIVATEER MINE operated at about 50% of capacity in 1947, realized a $42,882 operating profit against a $39,111 operating loss in 1947; but there was a net loss of $54,406 after all charges.

Tonnage and grade show an improvement in 1948, it is stated, with a "fair profit" now being shown. A substantial net profit is anticipated by the management for 1948. Since the end of the year, 104 ft. of ore has been opened on the 1,200-ft. level averaging 4.32 oz. gold across 0.51 ft.

Privateer owns 52.5% of 4,200,000 issued shares of Tofino Gold Mines but no arrangements for placing Tofino in production have been possible without diluting the equity beyond the wishes of the management, it is stated.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Bullion prod.	$406,877	$66,483
Misc. revenue	650	4,361
Less: Oper. exps.	364,645	109,955
Net oper. prof.	42,882	•39,111
Less: Depr.	66,449	21,747
Depl. & amort.	30,572	7,427
Outside expl. w/o	1,823	18,147
Add: Pr. on assets	......	5,861
Prof. on secs.	1,556	......
Net loss & deficit	54,406	80,571
•Loss.		
Earns. per Share	d$0.021	d$0.033
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$33,017	$49,589
Govt. bonds	......	25,000
Accts. rec.	5,447	4,194
Supplies	17,380	19,629
Total curr. assets	55,844	98,412
Prep. exp.§	2,757	3,479
Def. exps.	75,110	75,110
Invest. & adv. assoc. cos.♦	123,678	3,812
Prop., timber lands■	210,387	248,324
Plant & equip.▲	119,995	182,940
Deficit	63,307	8,901
Total assets	651,078	620,978
Bank loan	14,000	37,000
Accts. & tax. pay.	36,005	45,083
Total curr. liab.	50,005	82,083
Capital stock	599,662	537,484
Surplus♦	1,411	1,411
♦Incl. ref. EPT Prident Gold	1,411	1,411
▲After depr. of	340,847	274,184
■After depl. of	332,372	302,125
§Incl. in curr. assets in co's. report.		
Working capital	5,839	16,329

GOD'S LAKE GOLD MINES experienced a $66,420 loss after writing off $60,541 of exploration expense in 1947. In the Lynn Lake area where $116,675 has been spent (capitalized in balance sheet), 147 claims are owned by the company. Diamond drilling at Lynn Lake has been confined chiefly to anomalies in the southwest portion of the property. While no ore body has been established, interesting intersections showing copper, zinc and a little gold have been secured, it is stated.

When the original plant and equipment can be sold, it is proposed to abandon the original Elk Island property in Manitoba.

Besides $446,707 invested in producing mining companies, investment portfolio comprises shares as follows:

	No. of shares
Bevcourt	365,250
Regcourt	178,689
Wekusko Cons.	1,041,300
Squall Lake	33,500
South Dufault	516,001
Grand Terre	100,000
Kalbrook	112,000
Osway	20,000
Burtho	51,250
Nickel Lake	801,505

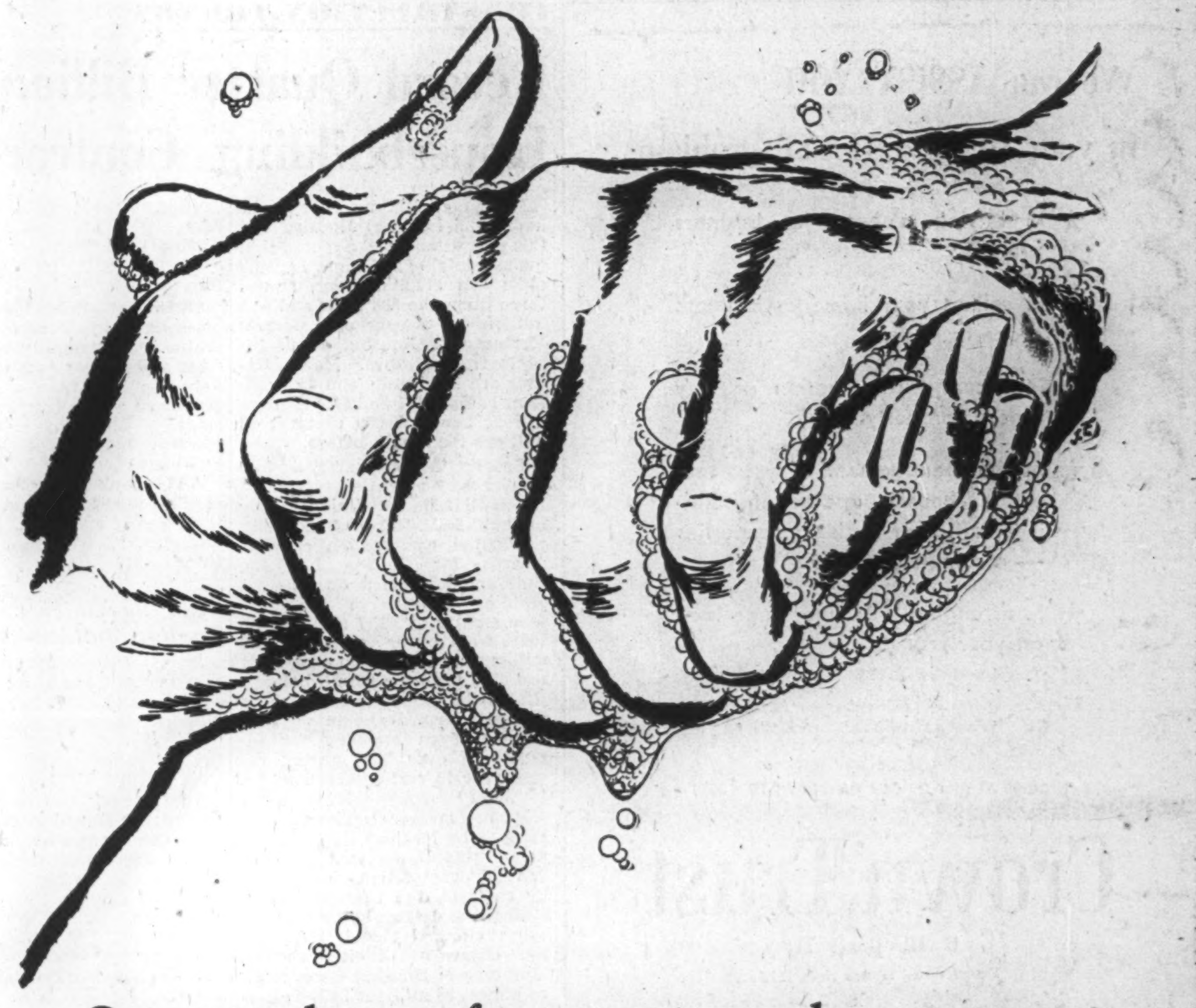
INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net oper. loss*	$41,775	$42,721
Less: Nonoper. rev.	35,896	36,077
Add: Outside expl.	60,541	28,912
Loss for year	66,420	35,556

*Shut down exps., etc.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$36,353	$114,927
Govt. bonds	......	409,750
Accts. rec.	1,251	4,646
Mining shs.*	932,980	624,477
Total curr. assets	970,584	1,153,800
Supplies	1	1
Prep. & def. chgs.	14,591	12,444
Expl. & mine dev.	116,676	1
Claims & props.	1	1
Plant & equip.†	93,338	93,338
Total assets	1,195,191	1,259,585
Total curr. liab.	4,811	2,785
Contingency res.	75,000	75,000
Capital stock	2,037,831	2,037,831
Less: Deficit	922,451	856,031
†After depr. of	1,278,284	1,278,284
*Market value	1,082,600	1,159,540
Working capital	965,773	1,151,015



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By 1922 vegetable shortening needed a new metal container—air-tight and tamperproof—to replace the old one.

It so happened that Canco had just perfected a container for another product which was airtight, tamperproof, and included a key-opening device.

Building on this experience, Canco soon had the container needed to solve the shortening problem.

This story illustrates again one well-known advantage of doing business with Canco: Out of our vast experience in solving container problems, we draw help in solving other container problems quicker and better.

For over 40 years, Canco customers have had this type of know-how helping them make money. Possibly, Canco can help you make money this way, too.

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PERUVIAN INTERNATIONAL AIRWAYS has extended its direct no-change-of-airplane service between the West Coast of South America and New York and Washington to Talara, important oil centre on the Northwestern Coast of Peru. PIA states this is an important step in its program to facilitate the flow of commerce between the United States and the rich countries of the South American West Coast. Talara is the seat of what is considered to be the oldest petroleum industry in the New World.

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NOW—At Prices Below Pre-War Levels
NOW—Your Order Filled Promptly

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IMPORTANT FACTORS

affecting the value of a specific investment are marketability — yield — security of principal. Without knowledge of these factors, purchase of stocks becomes a matter of guesswork.

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WINNIPEG

An Income "In the Red"

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New Markets in U.S.

The Question: What big new markets for Canada do you see in United States, and what steps necessary to open them?

Downward revision of U. S. tariffs is the first step to open up new American markets for Canada, in the opinion of a majority of those answering a Financial Post questionnaire. Other suggestions ranged from relaxation of present export restrictions, to a ban on exports of raw materials, and permitting the export of processed articles only. Base metals and fine papers were suggested particularly, as commodities on which tariffs might be substantially reduced, if not entirely wiped out.

S. C. ARNOLD, Barrister, Vancouver.

Until Canada prohibits export of raw products and natural resources and insists on their being converted into manufactured goods before exporting them, Canadians will continue to be hewers of wood and drawers of water for the United States, as their tariffs prohibit importation of Canadian manufactured goods. Converting our natural resources into manufactured goods would enable Canada to supply demands not only in the United States, but in other countries where goods manufactured by the Americans from our raw products are now being sold.

* * *

GARNET COULTER, Mayor, Winnipeg, Man.

A stable and uniform prosperity for the Canadian producers can be preserved only by an assurance of dependable markets. The United States, with its big population and its purchasing power, is our best potential customer. Export restrictions on Canadian meats, grains and dairy products and tariff restrictions should be adjusted to provide a ready market in the United States, to advance the interests of Canadian agricultural economy.

* * *

HAROLD S. FOLEY, President, Powell River Co., Vancouver, B.C.

Removal or major reduction of United States tariffs on papers, other than newsprint, would open great markets for printing and other papers, which Canadian industry is ideally situated to produce.

* * *

R. H. Davis, President, Atlas Steels Ltd., Welland, Ont.

We cannot sell our tool steel, stainless and specialty alloy steels in the United States due to their extremely high tariffs. We cannot see any possibility of our participating in U. S. markets unless tariffs are made reciprocal. At the present time, U. S. tariffs are at least 100% to 200% higher than Canadian, which range from 12½% to 20% while U. S. tariffs range from 20% to 70%. We are in favor of tariffs being properly adjusted so we can have reciprocal trade.

* * *

CHARLES L. SHAW, Editorial director, Miller Freeman Publications, Vancouver.

Canada should sell United States more high-grade pulp, paper and other forest products, more refined metals, canned fish, less raw materials. Economics, geography, similarity of interests make United States our logical market. If tariffs are favorable, and since traditional three-way trade between Canada, Britain and United States may not be restored in our lifetime, we should hasten an inevitable tariff deal with the States, permitting the two countries to harmonize trading interests. First approach should be a genuine effort to familiarize influential Americans with Canada's fundamental financial problems. For Canada to attempt economic independence from United States, will only prolong our difficulties.

* * *

WILFRED SANDERS, Co-Director, The Gallup Poll, Canadian Opinion Co.

Not being an expert in foreign trade, I can answer this question only from our own experience;

When today's businessman is looking for new or expanded markets, he avails himself of modern marketing research facilities. I am convinced that Canada has not done enough marketing research in United States, either with a view to expanding her presently-established exports, or to uncover possible new fields. I would advocate as an initial step, using proven sampling-research techniques to find out what the climate for Canadian goods and services is in United States. What do Americans really know about our goods and services? About our investment possibilities? About our vacation possibilities? About our political stability? About our craftsmanship and know-how?

The answer would seem to be that we don't know these elemental facts about this market—facts which would be fundamental tools to most businessmen today.

From these general topics, marketing research could then move into particular fields for specific products.

* * *

H. N. WALTERS, British Columbia Electric Railway Co., Vancouver.

Present exports to United States principally consist of basic products and raw materials. Economic balance requires greater development of secondary industries, based on wastes and byproducts from basic industries. Secondary production provides many times the payroll developed in basic industries. In my opinion, in order to make our way into U. S. markets for finished products, there must be adjustment of tariffs. Before this comes about, an informed public opinion in United States will have to be developed, demonstrating that markets are a matter of proper balance between exports and imports, and cannot be maintained on a one-sided basis. In British Columbia we are making rapid strides in development of secondary industries. This distinct change from our former position of having practically our entire economy based on production of raw materials, has resulted in a great movement of population from east to west, building up natural markets for finished products, many of which can be made more advantageously here than United States.

* * *

W. G. WEBSTER, President, Webster Air Equipment Co., London, Ont.

The new Geneva tariff has lowered the American tariff on goods of Canadian manufacture to roughly 15%. This, in view of lower Canadian cost, looks inviting but there is a joker. The U. S. tariff provides that the lowest value for duty is the price at which the goods "are freely offered for sale in the country of origin." This rules out jobber prices and establishes the value for duty at the sales price to the dealer. However, goods in a form not offered for sale in Canada, such as unfinished goods, can be valued at the cost of production plus a reasonable overhead and profit.

* * *

E. C. SCYTHES, President, Engineering Industries Ltd., Toronto.

This company has already made shipments of our Gar Wood Tempered-Aire oil-fired home heating furnaces to a number of U. S. dealers which have been well received and prospects look very hopeful for a substantial volume of business, as our prices laid down to the American dealers, are comparable to their U. S. costs on competitive tax. The urgent and immediate requirement to increase this business is for us to obtain deliveries of steel for the increased production needed to meet the demand from these American dealers.

COMPANY REPORTS

LOBLAW GROCETERIAS INC. net profit for the year ended Feb. 28, 1948, was up 10.3% Sales once again set a record, and while higher prices and additional departments in some stores contributed in some measure, practically all stores showed substantial increases, the annual report states.

Throughout the year the store enlargement and remodeling program was continued with more than 25 stores affected. Eight new stores were opened during the year —four of these replacing existing stores. At end of fiscal year there were 121 stores in operation—93 in the Buffalo division and 28 in the Syracuse division.

INCOME ACCOUNT

Years Ended:	Feb. 28 1948	Mar. 1 1947
Net trading profit	$1,967,612	$1,723,052
Less: Deprec.	233,260	152,841
Inc. tax prov.	659,718	596,405
Net profit	1,074,634	973,806
Less: Dividends	281,194	281,194
Surplus for year	793,440	692,612
Earnings per Share and Dividend Record:		
Common	$3.06	$2.77
Paid	0.80	0.80

CONDENSED BALANCE SHEET

As at:	Feb. 28 1948	Mar. 1 1947
Cash	$520,252	$407,977
Accts. rec.	79,090	61,132
Inventories	4,445,263	3,341,974
Total curr. assets	5,044,605	3,811,083
Invest. in sub.	24,919	500
Misc. assets	74,346	69,485
Fixed assets*	3,306,016	2,466,070
Total assets	8,449,886	6,347,138
Bank loan	376,066	276,065
Accts., tax, etc., pay.	2,564,425	2,279,052
Total curr. liab.	2,940,491	2,555,117
Defer. bank loan	1,106,737	182,803
Invent. res.	300,000	300,000
Capital stock	2,108,952	2,108,952
Capital surplus	271,585	271,585
Surplus	1,722,121	928,681
*After depr. of	1,290,929	1,125,650
Working capital	2,104,114	1,255,966

SOCIETE D'ADMINISTRATION ET DE FIDUCIE 1947 net profit was $38,455 ($50,325 in 1946). Total assets were $1,133,044 ($1,190,533). Mortgages were $366,813 ($340,995); estates, trusts and agencies under administration $27,666,143 ($28,799,-695).

	1947	1946
Liabs. to public, etc.*	$178,850	$244,794
Shareholders' equity	954,194	945,739
*Secured by:		
Mortgages	366,813	340,995
Office premises	97,203	138,347
Liquid assets‡	669,028	711,191
Total	1,133,044	1,190,533
‡Includes bonds and shares.		
Estates account	27,666,143	28,799,695
Earned per share†	$1.92	$2.52
Paid	1.50	1.50

†Based on paid-up capital.

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"But the steel Q-Floor costs less than the carpet!"

"You build a building to get floors. Yet the floors, at best, are only a small fraction of the total cost.

"You don't get any return on your investment till the building is finished. Steel Q-Floors speed construction. Completion date, not starting date, is what pays off. You have to wait for demolition and excavation. By that time, your steel is ready. Then, if you use steel Q-Floors, you can expect to reduce construction time by 20 to 30%.

"Steel Q-Floors are the subfloor, covered with a concrete fill and any surface material you choose. The entire floor is electrically available. Just imagine the enormous saving in maintenance and alterations over the years, accruing from permanently flexible floor layouts. They provide living arteries of earning power, adequate for any variety of future business machines. A monolithic slab is just a stone-age ledge by comparison. And it's true, Q-Floor costs less than the carpet that covers it!"

Q-FLOOR is made in Canada of Canadian steel. Recent installations include Canadian General Electric Co., Ltd., Hamilton, Ont.; Barclays Bank, Toronto; Steel Company of Canada, Ltd., Hamilton; Bay-Grosvenor Bldg. Toronto.

Digression—in case you don't know why

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Digression #2—in case you don't know why

The cells of Q-Floor are crossed over by raceways for the wires of every conceivable electrical service and those not yet known. This is extremely important for your investment. Every six-inch area of the exposed floor can be tapped for electricity. An outlet can be established in a few minutes, without digging trenches. The building is electrically modern forever. The electrical availability of Q-Floor protects your investment against obsolescence.

*Architects: Wm. R. Souter & Associates, Hamilton.
Contractor: Pigott Construction Co. Ltd., Hamilton.

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WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

Car Cleaner

By dissolving two ounces of new compound in two gallons of water, solution is obtained which will perform cleaning and waxing of automobile in one operation. Wisconsin makers say chemical properties permit its suspension in water so that wax is evenly distributed in solution.

• • •

Long-life Leather

Process developed by British research association will prolong life of leather against "town-rot"—action of sulphuric acid derived from sulphur dioxide in smoky atmospheres. British museum, which has had to re-bind its vast stock of books three times each century is now using new leather exclusively.

• • •

Writing Instrument

"Wonderiter" is described by New York maker as a new writing instrument, similar in appearance to average pencil, which does not have to be sharpened for four years. Device is seven inches long and has protective cap for writing point. Designed in flexible plastic, point allows user to write in thick or thin lines at will, or to make six or eight carbon copies.

• • •

Folding Crib

Combination crib and playpen developed by New York firm folds into a 29-inch suitcase. Set up in half a minute, it becomes regulation-size plywood crib, complete with felt mattress.

• • •

Mine Cable

Aluminum bore hole and mine entrance cables permit 30% to 50% savings in cost and 50% saving in weight over equivalent copper cables, according to U. S. Rubber Co., which announces its readiness to begin full-scale production. Both cables, covered with a neoprene rubber compound which resists mine acids and oils, are said to have passed all tests.

• • •

Personally Endorsed

Removable type slug attachment adds another service to "Endorsograph" cheque endorsing and cancelling machine. Attachment enables each operator to imprint personal identification number within border of any endorsement or paid stamp on batches of cheques, invoices, or other business forms. Each operator retains own slug, thereby offering protection to self as well as employer.

• • •

Denture "Shower"

Soaking dentures overnight in "bath" is said to be out-moded by product recently marketed by New York firm. Plastic cup is fitted with a spring-held attachment to grip the denture. Solution of salt or bicarbonate of soda or other denture cleaning agent is placed in bottom of cup. With cover secured, cup is shaken for about 30 seconds. Result is said to be veritable shower bath for false teeth.

• • •

Protects Porous Masonry

Transparent surface coating used by armed forces during war has been demobilized by New York firm into new damp-proof commercial product for protection of masonry against absorption of water and dampness. Makers say that, unlike other types of transparent surface coatings which are solutions of waxes or stearates in highly inflammable solvents, product is an opaque water emulsion of a semi-plastic nature which, upon evaporation, leaves transparent coating on masonry (not applicable to wood, metal, marble). Applied with ordinary painters' brush, gallon of "Aquaphane" will cover an area from 150 to 225 square feet, depending upon condition of surface treated. For second coat, each gallon should cover up twice that area.

• • •

Movie Uses Radio

New movie projector broadcasts sound from 16-millimeter film track through home radio. Made by Chicago firm for low-price field.

• • •

Liquid Linoleum

One-coat fluid linoleum gives new hard surface for linoleum, wood, concrete, tiles, etc. Makers say it dries evenly throughout and surface can be polished with wax to maintain glossy finish; although product may be applied with brush, it should not be confused with ordinary paint.

• • •

Portable Duplicator

Weighing only 28½ pounds, and taking up less than one cubic foot of space, spirit duplicator is built with all parts attached. No feed or receptacle trays to be screwed on or dismounted; for carrying, trays collapse against side of machine or slide inside. Roller drum prints around entire surface. Other features are internal fluid tank, push-button clamp for changing printing rolls.

• • •

Salad Tongs

Colorful plastic salad tongs may be used as separate fork and spoon. By combining in simple slip-knot arrangement, they may be used in one hand, scissors fashion. Product is 100% Canadian and, makers say, is not harmed by washing with other table ware in hot, but not boiling, water.

• • •

Enamels Raised Faces

U. S.-made machine automatically enamels raised surfaces of letters, numbers, or designs. Conveyor carries as many as 2,000 parts an hour past enamelling position of machine 24 x 36 x 60 inches. Used for signs, frames, end-plates, licence plates, name plates, and other sheet metal, cast metal, or molded plastic products.

• • •

Automatic Truer

New Jersey firm claims to market the first automatic truing attachment adaptable to tool-room and production lathes; is designed for use with universal self-centring chucks, independent chucks, face plates, and special fixtures; eliminates tedious waste motion involved in attempting to true up work by the conventional "trial and error" method and further does away with need for toolmaker's buttons.

• • •

Slush Pump

Toledo firm gives these specifications for its new duplex power slush pump: 8½-inch bore, 16-inch stroke, and rated output of 700 hydraulic horsepower; will discharge 955 gallons per minute at pressure of 1,260 psi, or with a 6¼-inch liner, will discharge 485 gallons per minute at 2,480 psi.

• • •

Unique Band Saw

Material can be cut in any direction without rotating work according to Canadian makers of new-type band saw with hard cutting edge which spirals around band, thus providing 360 deg. cutting edge. Used in conjunction with new-style rubber roller guides, saw is said to greatly increase capacity of machine. Hardened tooth spiral permits cutting of intricate dies and filing of small radii in openings inaccessible with ordinary bench file or needle file equipment. Wood, plastics and other light material can be accurately sawed.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

SHERRITT GORDON MINES realized a record profit of $1,249,808 or 21 cents a share in 1947 as the company was able to market a year's output of copper despite the period Aug. 13 to Nov. 19 when the plant was strikebound.

Working capital showed a slight increase to $2,080,108 after expending approximately one million dollars on the Lynn Lake project during the year.

Nickel copper ore reserves of the Lynn Lake area were increased 3,326,000 tons to a total of 8,300,000 tons averaging 1.514% nickel and 0.687% copper down to the 1,000-ft. horizon. In addition there is a further ore body containing 150,000 tons of copper-zinc-gold ore. Scheduled expenditures for 1948 at Lynn Lake are estimated at approximately $1,300,000 which is expected to be fully met from 1948 earnings at Sherridon.

From 400,000 to 450,000 tons of ore should be milled for a production of approximately 15 million lb. of copper at Sherridon during 1948, President E. L. Brown states. No new ore was found there during 1947 but reserves at year-end totalled 1,008,000 tons averaging 2.60% copper, 1.99% zinc with further gold-silver values.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Copper sales, etc.	$4,824,560	$3,160,819
Add: Invent. incr. ...	*854,751	404,595
Production value	3,969,809	3,565,414
Less: Oper. exps.	1,931,211	2,462,403
Strike exp.	170,076	......
Net oper. earns.	1,868,522	1,103,011
Add: Other inc.	28,244	8,376
Oper. profit	1,896,766	1,111,387
Less: Depr. on pl't., etc.	31,610	230,571
Inc. tax res.	550,000	220,000
Res., loss, Sherr. Dev. Co.	......	21,579
Outside explor.	65,348	3,779
Add: Prof. on secs. ..	......	46,916
Net profit	1,249,808	682,374
Less: Dividends	......	118,889
Surplus for year	1,249,808	563,485
*Decrease.		
Earnings per Share ..	$0.210	$0.115
Paid	....	0.02

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds. ...	$1,561,251	$513,220
Sh. term dep.	503,768	......
Accts. rec.	131,814	277,331
Mkt. secs.†	......	82,214
Inventories (metals)..	264,892	1,119,642
Supplies	377,655	559,991
Total curr. assets ..	2,839,380	2,552,398
Def. acct. rec.	135,000	......
Ref. EPT	29,338	69,150
Prep. & def. chgs. ...	33,572	25,687
Misc. shareholdings ..	168,394	163,287
Michipicoten Iron M.	535,200	537,484
Ruth & Lucy props...	749,340	744,300
Lynn Lake prop.	2,039,845	724,828
Plant & equip.▲	289,745	191,381
Mining property, etc..	3,689,326	3,719,156
Total assets	10,509,140	8,727,671
Accts., etc., payable..	236,518	209,906
Taxes payable	522,754	282,903
Total curr. liab.	759,272	492,809
Deferred liab.	135,000	......
Capital stock	5,944,432	5,944,432
Capital surplus	3,483,276	3,483,276
Surplus	♦187,160	*1,192,846
*Deficit.		
♦Reflects $143,090 credit re prior year tax adjustments.		
▲After depr. of	2,941,786	3,050,387
†Market value	....	99,125
Working capital	2,080,108	2,059,589

OPERATING STATISTICS

	1947	1946
Tons milled	359,031	558,836
Average recov.	$13.44	$5.66

GUARDIAN TRUST CO. 1947 net profit amounted to $12,769 as compared with $10,492 for 1946. During the year new estates and trusts were received in the amount of $2,644,848. Estates and trusts discharged amounted to $1,785,269. A new department—known as The Foreign Relations Dept.—was opened during the year. Liquid assets totaled $486,020 ($447,378).

	1947	1946
Liabs. to public, etc.*	$115,644	$126,964
Deprec. reserve	42,298	......
Shareholders' equity .	328,078	320,414
*Secured by:		
Mortgages	12,196	16,175
Office premises	339,574	296,306
Liquid assets	134,250	134,897
Total	486,020	447,378
Estates account	10,055,219	9,195,640
Earned per share† ...	$6.54	$5.38
Paid	3.00	3.00

†Based on amount paid up on capital stock.

SUN TRUST 1947 net profit was $34,482 ($29,906). Mortgages were $421,765 as against $459,464 at end of 1946. Estates, trusts and agency account was up $13,669,769 at year end at $78,271,672. Liquid assets amounted to $3,350,849 ($3,162,366).

	1947	1946
Liabs. to public, etc.*	$2,904,386	$2,737,885
Shareholders' equity .	433,885	411,903
Contingency reserve .	12,578	12,578
*Secured by:		
Mortgages	421,765	459,464
Office furniture ...	3	3
Liquid assets†	2,929,081	2,702,899
Total	3,350,849	3,162,366
†Including bonds.		
Estates account	78,271,672	64,601,903
Earned per share	$13.79	$11.96
Paid	5.00	5.00

SOUTHERN CANADA POWER CO. reports gross earnings of $4.5 millions for the year ending Feb. 29, 1948, an increase of $478,932. Expenses, taxes, interest, depreciation and dividend charges increased from $3.9 millions to $4.4 millions. Surplus was $89,439 ($76,408 in the previous year).

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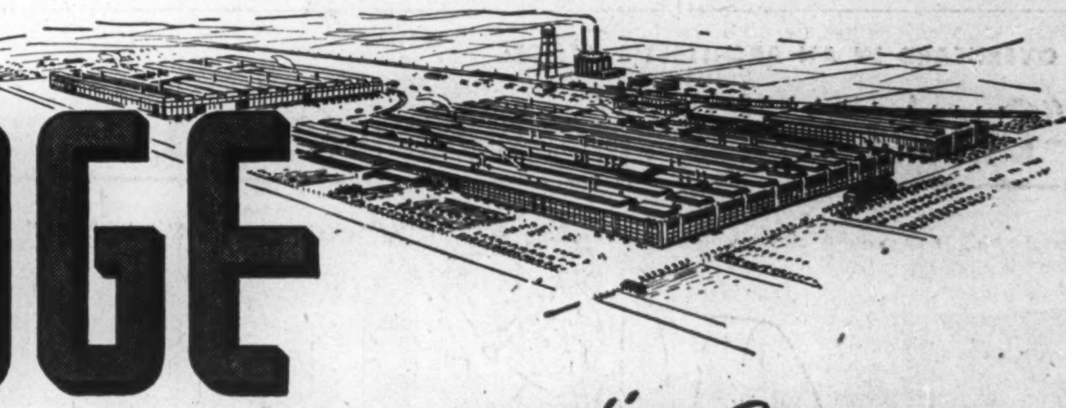

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The Financial Post

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How Is France Doing Now?

"Frenchmen Show They Are Willing to Work"

By RONALD A. McEACHERN

PARIS: Once again this year, after a long interval, the American tourist will be a major French industry. A great many of those tired but still pattering feet in the art galleries and historic sites are American. Some of them crossed the Atlantic. Some of them are from the American occupying army in Germany.

For the tourist, Paris again offers all its traditional attractions. The trees lining the boulevards are now flowering. The city is again washed spick and span every morning. The shops and shop windows bulge with lovely things. The avenues teem with cars, though gasoline technically is issued only for "business purposes."

One thing has changed: The postcard vendors of old are in a new trade. Any visitor around places like Cafe de l'Opera or Cafe de la Paix is almost certain to hear an oily voice at his elbow, "Any dollars to sell?" They may offer 330 or more francs to the dollar against the bank rate of 300. Their rate varies almost daily, and the "official" black market rate is published like other news in the papers.

One more angle on the dollar black market: You will sometimes find in cashing travelers cheques that when you prepare to write in the date, your hand will be swept away, "Oh no, sir, we'll look after that." Your signature is all that is wanted. Undated travelers cheques suit the black market almost as well as U. S. bills. It will be years before some travelers cheques will come home to roost.

Can't Afford New Look

The American visitor will think most French prices aren't too bad compared with his own. His wife well be very conspicuous if she wears The New Look. The French invented it for export sales promotion but in a day's ramble through Paris streets and shops you won't see anything approaching The New Look more than half a dozen times and some of those will be American.

In fact, the almost shabby appearance of Frenchmen and Frenchwomen, and the bread are the two main evidences of the deep-set difficulties through which France is passing.

The cost of living is now about 1,500 compared with 100 prewar. For only a few have incomes kept pace. So these people look shabby because they can't afford to look smart or New Lookish.

Their bread, once an example to the world, is now the worst bread of any country in western Europe and the only thing for which the hotels still ask tourists' ration tickets.

The bread situation tells a good deal of the story about France's basic problems—disastrous crop failure last year. The sharp individualism of the French farmer, and his training in self-preservation produced an epidemic of farm hoarding. Foodstuffs were held back; the nation's food pipelines went nearly dry.

And, of course, as in the rest of the world, France ran out of U. S. dollars.

Prospects are Brighter

In recent weeks, however, France seems to have turned the corner. Crop prospects for this year are currently exceptionally good. This is not only favorable for fall consumption and supply. Very important, it removes all incentive to farm hoarding and is already bringing out hoarded stocks.

So food prices have now stopped rising and, officials are confident, have now started to point down.

So have some other prices, I am told. Paris department store sales have been declining. Big "Spring Sale" signs are very common everywhere here. Store inventories are declining and buying is slow.

Now, with ERP money coming through, catastrophe will be averted. France will be able to resume the import of machinery and material essential for the reconstruction of her economic equipment. ERP money will help push down prices. The French picture brightens considerably.

But it will be a long time before the French people as a whole know that it has. The inflation has had disastrous consequences for the savings of many millions of thrifty Frenchmen. The white collar worker has seen the cost of living go to 1,500. In some French offices of foreign companies salaries were increased about 10 times but they were the fortunate ones. Government policy here has been to remove price controls but keep wages pegged.

Distribution Is Uneven

In a nation that has so long been hungry and needy, it will be a long time before everybody gets anything approaching his share of available supplies.

The French rationing system never approached working efficiently and now the Government has almost entirely given up the attempt.

"No more France for me." That's what an English girl told me as we flew over the Channel. She had married a French fighter in the Maquis. After the war he had resumed his trade as a tombstone polisher in a little village near the Swiss-German border. With her baby this English girl was going home to mother and her French husband would follow as soon as he could get an entry permit.

"The past year has been awful tough for ordinary folks. The ration on food, soap, canned milk for the baby and on other things didn't look too bad written down. The trouble was most of the time you didn't get it, or only part of it, or you didn't get it for weeks or months after it was due. If I hadn't been able to feed the baby good, he'd have been dead long ago."

"Of course," she added, "living in a little village near the farms we were better off than a lot of people in the big cities."

France's Politics

How explosive is the French political situation? What about the Communists? Naturally, those were questions I put to French businessmen and officials.

Everybody at once says the French political situation is always explosive and always will be.

"The Frenchman's economic and cultural strength is also his political weakness. They are solo performers only. They can take a small amount of material, give it skilled, imaginative, enthusiastic treatment and the luxury buyers of the world will pay much for the result. Individualism is a wonderful thing in many ways. The trouble in France is that individualism is extreme. These people are too highly atomized ever to have industrial stability in the North American sense of the term."

How is France doing?

... Here are the observations on French political, economic and human trends by The Financial Post's editor, Ronald A. McEachern.

Written in the French capital, this is another in the series of on-the-spot articles by The Post's editor during a recent tour of Europe.

The disposition here is to regard the top government team of Schuman and Mayer as the best France has had in a long, long time. How long this government will survive is another question.

The de Gaullists are increasingly eager for power now that the economic situation is improving. But the opinion I heard generally was that the de Gaullists' cause would lose ground in the measure that the Communist drive on western Europe was checked. The French Communists are powerful and clever. But the Italian election result and ERP money do not make the present climate favorable for a Red putsch.

What was constantly emphasized to me was that the Italian election result should not be taken as a triumph. Communism in Italy and in France remains a powerful, dangerous force.

So perhaps the present French Government will live for a while yet, and this period will soon start ranking in the history books as "a long period of political stability." The reason as usual will be not that the French like this government; merely that they like the alternatives less.

The Industrial Outlook

Now that ERP money is coming, French industry will get back into action. It had been strangled by inability to import adequate coal and coke. Soon French steel production will be helping reconstruction and development there and in other parts of western Europe.

It is estimated here that about 40% of ERP money will be used for the re-equipment and modernization of French industry and agriculture; the remainder for food and raw materials.

No one knows better than the Frenchman that ERP money is not the solution of his country's longer-term economic problems. ERP simply prevents disaster. It is adrenalin for a patient in extremis. War and wartime industrial developments in other countries blasted the foundations on which rested the economy of western Europe—and the western world.

Now the talk is there must be closer integration of industry between France, Britain, Belgium and Holland. This man's words are typical of a good deal of comment I heard. "We've got to buy more from each other and less from the United States. We've got to see to it that among us we produce more of the things we need. It's all very well for us to talk about exporting more to the dollar area. But I haven't much faith in that. The Americans think they made big tariff concessions at Geneva. When they cut a tariff from 70% to 50% they think they've done something wonderful. But big deals are made or lost on margins like two per cent."

"Western Europe must and can work out its own salvation. We must somehow get free of this dollar bondage."

French People Will Work

Where people are willing to work, the lives of individuals and of families do not for long remain in misery. And the Frenchmen have shown they are willing to work. The port of Havre was three quarters destroyed. It seemed out of business for years. But Frenchmen by the thousand went at the rubble with shovels and picks and the port is now handling close to its prewar volume of traffic. In 1944 the output of French factories was 41% of prewar. Last year it was 95%. Now that strangulation has been averted by ERP money, this year's figure will be well up. About 50% of the French railway system was destroyed—tracks, rolling stock, shops, etc. But last year French lines carried more freight and passengers than prewar.

Before the war French labor was demanding—and often got—a work week of 39 hours. In 1947 it agreed to a 44-hour week with a further increase to 48 as soon as raw materials were adequate to make it worth while—and that on a diet lower than at the worst of the German occupation.

French miners reduced absenteeism to a very low figure and pushed coal output to an all-time high.

So it's how much recovery France has achieved, not how little, that strikes the visitor this year.

Here's Hope for Railway Travelers

By HOWARD GAMBLE

MONTREAL (Staff) — Next time a jolting railroad dining car spills half a cup of coffee in your saucer, remember that the railroad companies are working on your particular problem. It might also be a comforting thought for the passenger who performs acrobatics undressing in an upper berth. Forgotten during the war, and elbowed out by industry in the immediate postwar years, it now looks as if the poor benighted railroad passenger will get his innings.

According to the latest reports from the companies there are about 250 assorted units of new passenger equipment on the way —and the bill for them will be close to $30 millions. Here is what the two big railroads have ordered:

Passenger coaches	140
Double bedroom-roomettes	10
Buffet-parlor	8
Dining	38
Buffet-bedroom-lounge	20
Sleepers	36

All of these will not be "riding the rods" this year. Some rolling stock going into service now was ordered two or three years ago. Canadian Pacific for example is only now getting delivery of 35 passenger coaches (included in the foregoing total) which it ordered in 1945.

All the passenger equipment is being built in Canada.

A virtual certainty in this passenger equipment situation is that the railroads will not hold back any of their new cars. CNR has already announced several "firsts." It has rolled out its first bedroom-buffet-lounge car, its first buffet-parlor, and first of two new types of sleepers. Canadian Pacific has its new passenger coaches with the "sleepy hollow" chairs and hopes to get the bedroom-roomette cars by June. Passengers say they can't come too soon.

Railroad men are probably saying the same, after looking at passenger revenue for 1947. While freight chains chugged back and forth across the country with big and profitable cargoes the ticket sellers found business a little slow. (CPR is installing a ticket selling machine in Windsor station this month.) Passenger revenues fell a hard-to-lose 13% in 1947; from $100 millions to around $87 millions ($124.6 millions in 1945). A good indication of what is happening to passenger revenues is revenue per passenger train mile. In 1945 a passenger train mile brought in revenue of $3.72. This had dropped in the next year to $3.23 and in November 1947 was down to $2.75. And while revenues went down, average operating expenses per train were going up from $4.81 in 1945 to $4.95 in 1946 and well over $5 last year.

Up to now, railroad companies have not been able to make their bid for passenger business with new and better equipment. It is true that passengers have moved off their upturned wartime suitcase but in many cases they have had to move over to hard, dusty seats in dingy coaches and parlor cars.

Freight Took Priority

Passengers had to be satisfied with this postwar state of affairs, and the railroads had little choice. War traffic had given freight equipment a bad beating and, more important, there was a great shortage of box, automobile, ore and hopper cars to carry Canada's expanded agricultural and industrial output. Thus the first call was for more freight equipment. Also, passenger revenues have never accounted for much more than 15% of railroads' revenues in Canada; and on the basis of business placed, the shippers were probably entitled to first consideration.

Railroads, however, are not yet willing to concede the passenger business prize to the autos, buses or planes. While passenger equipment has been slow in arriving, the railroads have spent the interval experimenting and testing new fads and fancies to tickle the taste of the traveler.

Take the passenger coach, which carries the bulk of passenger traffic. CPR says it has the last word in comfort with its "sleepy hollow" chairs (34 double seats to a car) which alone cost $300,000 for 35 cars. These cars have the wide observation-type window and are the result of tests made with a rebuilt sleeping car which came out of the Angus shops in 1944. These coaches also have fluorescent lighting, a feature tried out first on a coach on regular line service.

Improve Sleeping Quarters

Nowhere in the field of passenger equipment is the need for improvement so great as in sleeping accommodation. Lack of privacy, cramped quarters for dressing, and crowded washrooms have taken the joy out of more than one traveler's train trip. But things are looking up. CNR says it has a car in which passengers will sleep in comfort and joy.

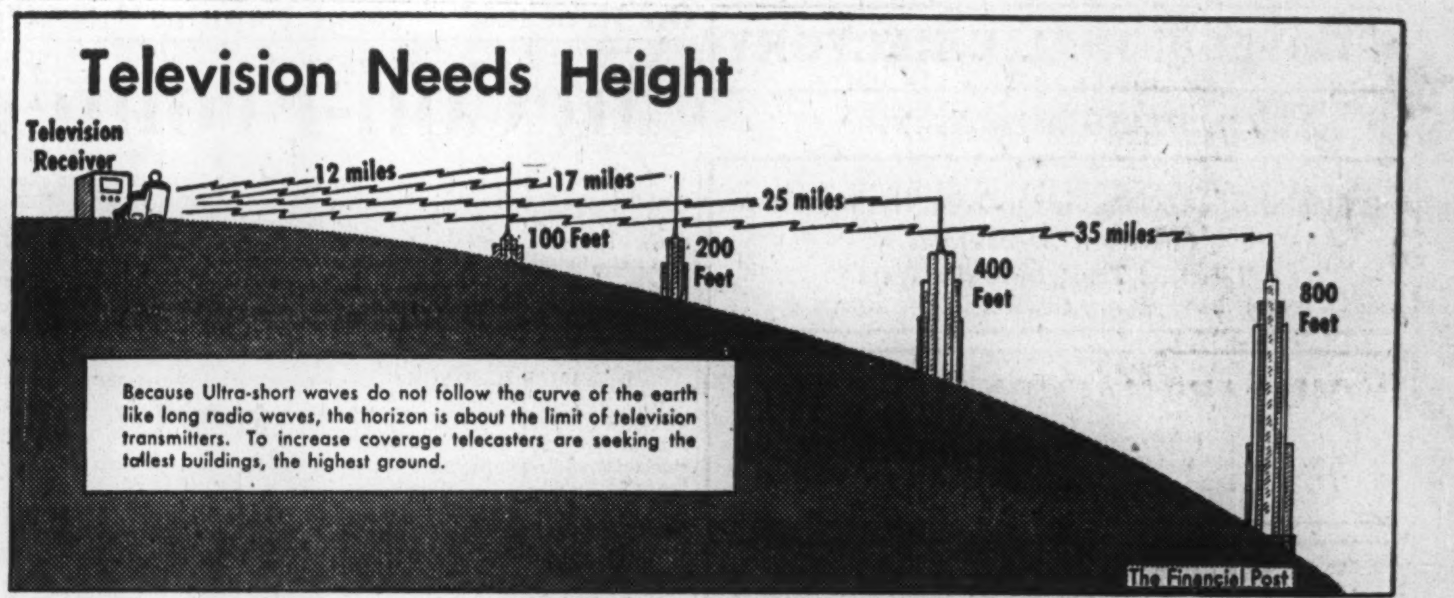
Another type of sleeping accommodation is the bedroom-buffet-lounge car. One of these is now in service and 20 more are coming. In this one, four single bedrooms have partitions which fold back into the wall so that they may be made up into suites.

CNR has probably topped everything with its "Brantford" sleeping car, which combines three types of accommodation. There is one drawing room, two compartments and eight sections. The drawing room has just about everything including mattresses, the density of which has been scientifically tested. Both drawing room and compartments have venetian blinds and double glazed windows which don't fog.

Railroads have not forgotten the eating man either. New diners will have comfortable lounge chairs in the general section. These too have the full-vision, streamlined windows and lights over each chair.

What are the railroads doing for the businessman who likes to ride in the quiet and comfort of a parlor car? Until recently, parlor cars were notable for their dark mahogany trim and a depressing atmosphere which, it is said, has driven some passengers to drink. All this will be changed the railroads say. Light and brightness will replace darkness and gloom. One car, for example, has a three-tone rust and green carpet and the ceiling and walls are in three shades of grey with an attractive terra cotta on the wainscoting. On CPR's Kettle Valley line the cafe parlor cars have bleached furniture and color combinations such as salmon, buff and green.

With all this new passenger equipment now in sight the question railroad men are asking is: will it pay off? With coaches costing about $90,000 and sleepers around $110,000 each and diners still more, passenger equipment represents an important capital investment. In United States, some roads already have proof that the increases in new-type cars can bring in passenger revenues. Some railroad men there think that the new equipment may increase traffic anywhere from 40% to 100%. This could happen on certain runs in Cancase, the passengers will be much, much happier.



Why Have We No Television?

U. S. Has 19 Stations, 400,000 Sets, 200 Advertisers

By RONALD WILLIAMS

The other night three of us sat in big easy chairs in a Toronto man's home and watched a wrestling match 65 miles away in Buffalo. It was almost like being there, grunts and groans, cheering, excitement; plus all the comforts of home.

That's television!

How many Canadians have had the same thrilling experience in their own country? Not more than a handful. There aren't more than a dozen television sets in all Canada. And most of them are experimental jobs owned by radio manufacturers.

Why? In the first place, you can't buy a television set in Canada. No one is making them and they can't be imported from the United States.

In the second place, if you had one, there isn't anything being televised. There isn't a single television station in Canada.

Just last week the first formal applications for licenses were filed with the CBC. But you'd have a sure thing, say the experts, if you bet that we won't have a station for at least two years.

The United States has roughly 400,000 sets (65% in bars and grills); it has 19 telecasting stations operating, 54 licenses granted and another 64 pending.

Why We Haven't Television

What's the picture in Canada? Why haven't we got television?

The whole thing boils down into one word: economics. That's what R. A. Hackbush of Toronto says. Besides being vice-president of Stromberg-Carlson Co. of Toronto he is one of the top television men in Canada and chairman of the Radio Manufacturers' Association Committee on FM and Television.

It's all right to holler, when do we get television, but there's more to it than that, says Mr. Hackbush. In the first place, who's going to pay for it? Anyone who has any ideas about setting up a station had better forget it unless he has at least $1 million.

Who in Canada is ready and able to take such a chance? So far the CBC hasn't seen fit to ask Parliament for $1 million of the people's money to tinker around with television.

It's been reported that J. Arthur Rank, the British movie magnate, is ready to build a station. But there are so many strings to it that it's doubtful if it will come to anything.

It's reported too that overtures have been made by a U. S.-Canadian manufacturer. But it has certain conditions too which might tie the CBC's hands too tightly.

These are some of the factors which are holding back television in Canada. Manufacturers say they could be producing television sets here in quantity a year from now. But there isn't much point to starting if there aren't going to be any stations.

Uniformity is Needed

Television, unlike any other medium, is what those in it call a "lock-and-key" business. The lock is no good without the key and the key is no good unless it will unlock the door. And there can't be half a dozen different types of locks. If we're to have television, say the people in it, there must be uniformity.

This is why "standards" are so important. In the automobile-making business, it doesn't make much difference whether the engine is in the rear or the front or whether you have overhead or side valves. As long as the wheels turn, you can drive. A road is a road.

This isn't so in television. There has to be complete uniformity on the basic things. Everything down to a micro wave has to fit. Manufacturers of the receiving sets and transmitters must turn out products that are absolutely co-ordinated. If not, you might buy a set which wouldn't work on a particular station.

For example, British receivers wouldn't be any use in the U. S. and vice versa. The British use a narrower wave channel than the U. S. This one factor posed a bit of a problem for Canada. Which system should we tie ourselves to: the British or the U. S.?

There was only one answer as far as the Canadian manufactures were concerned — the U. S. Their whole set-up is geared to the U. S. So is our present radio system. If we are to eventually share U. S. network television (already operating) we have to adopt U. S. standards or standards for the whole North American continent.

Canada Sets Standards

Canada has finally done something about this. Recently, at a Department of Transport conference, a set of standards, patterned after the U. S., was adopted. This means the foundation for Canadian television has been laid.

In the meantime, by international agreement, Canada has been allotted 13 clear channels. Because of the limited range of television, more than one station can operate on one channel. A Vancouver station, for instance, wouldn't interfere with a station in Edmonton or Toronto or the Maritimes.

As a result, the Dept. of Transport has tentatively assigned 102 stations to the 13 channels. (See table for details.)

As will be seen, Toronto has been allotted two stations. This explains the two applications for licenses which were filed last week for the Queen City. The third will likely be taken by the CBC. In all probability, the CBC will build the first station and, The Post is told, it will likely be in Toronto.

Whether the other applicants get licenses depends, it is said, on whether the CBC, which will be the governing body as in radio, believes the applicants are financially capable of operating a station. Just to get operating will make a big hole in $1 million.

This is what has held the CBC back so long. It means going to Parliament. And it will be the taxpayers' money. In the U. S. private enterprise footed the tremendous pioneering bill.

Cost of Shows Higher

When Canada does get television — and this is inevitable, say those who are close to it — many of the bugs will have been eliminated. We will cash in on the enterprise and pioneering of the U. S.

But for the same reason that Canada does not have $10,000 radio shows loaded down with stage and movie talent, don't expect television overnight. Television shows costs at least 10 times as much as straight radio.

So far television has been anything but a money-maker. This will undoubtedly change in the near future now that the tremendous possibilities of this new medium are becoming apparent. Already money is beginning to flow more freely in the U. S.

Some people predict television will surpass all other advertising media. They claim that sight-and-sound is 10 times more effective in selling than just sound. Some say it's 20-40 times better. The advertising chief of one agency says it's 80 times as effective.

But that's in the future. To date millions have been sunk into television. Firms which did the pioneering won't get their money back for years. (Actually, television is older than movies, radio, the telephone and the phonograph.)

Even today, now that television is here or rather in the United States, Britain, France, etc., the initial cost is staggering. And because improvements are being made every day, the element of risk is a bit frightening. A station installed today could well be obsolete a year from now.

This is another reason for Canada's wait-and-see policy.

Sports are Basic Shows

But getting a station operating is only half the battle. Technically television is here, say the experts. The big headache now is programing. It isn't much use having a station if there isn't anything to telecast.

Boxing and wrestling matches, baseball games and other sports events or actuality events are still the backbone of television. Make-believe shows are increasing, but slowly.

The difficulties of television programing are legion. It requires almost superhuman actors and actresses. There can't be any stops for retakes or while an actor learns his lines as in the movies. Television players have to have elephant memories.

Uncertainty is almost synonymous with television programing. No one knows just what is going to happen next. In sports events, this is what makes it the thrill it is. But in dramas or commercials it can sometimes ruin the whole show. Occasionally it improves it.

During the great balcony scene of Romeo and Juliet, the television camera went into action too soon and caught Juliet struggling with her girdle. It was good for a laugh but it didn't help the play any.

In a dramatized advertisement, four strong men were supposed to have a tug-o'-war with a pair of overalls to show how strong they were. Maybe their television debut gave them superhuman strength because they tore the overalls to pieces.

Some mishaps can be turned into advantages. In one televised act, two players were left stranded when an actress missed her cue and failed to appear on the stage.

Using their wits, they began an impromptu abuse of American womanhood for always being late. It turned out to be the best part of the show.

Heat is another problem. It gets so hot under the lights that make-up melts. In fashion shows, models wear bathing suits under their furs while promenading against winter landscapes.

How Fabrics Appear

However, new lights are now being developed which create less heat. But there still remains the often disconcerting problem of "infra-red" rays which see through fabrics producing eye-opening effects for the listener-watcher.

Red generally televises white. A dancer in a New York studio was wearing a broad red sash. In the picture tubes of the television sets appeared a seemingly magical dance by a woman cut in two.

The television camera is never fooled by bleached hair. It presents it as black or grey. Fair complexions turned a coffee color by early cameras.

Even today, producers are leery of scenes involving bathing suits, ever since beach scenes at Coney Island were televised with startling results. Because of the peculiarities of the television the camera saw through some bathing suits.

An alert engineer saved a New York producer from an even more embarrassing situation. A fashion show was being televised. One of the models was wearing a black evening gown. The curious engineer wondered how it would televise.

Fortunately he tested it in advance by holding it up before the camera. You guessed it. His hands appeared but not the gown.

Since the war, a lot of these problems have been eliminated. Development is proceeding so rapidly that color television is possible. But this has been shelved for the time being. For the present, television is going to be black and white.

Television in Theatres

Two weeks ago in a movie house in Brooklyn, the audience saw the first televised movie — a boxing match being fought in New York City. Last January, Congress was televised. A month ago, New York's Hotel Roosevelt installed television in 40 rooms ($3 a day extra).

Today 18 of the largest advertisers in the United States are sponsoring television shows over one network alone. Altogether, there are about 200 advertisers over the 19 stations.

The New York Daily News has just finished a station and studio which set them back $2 millions. They expect to start televising in a month or so but won't go commercial for at least three months.

But New York has an assured television audience. Sets can be bought for as low as $169 although consoles with a 10-in. picture tube (cathode ray) are usually over $500. Going into the telescasting business in New York isn't anything like the risk it would in a Canadian city where there's no audience at all.

Furthermore, receivers would likely cost more in Canada for the same reason that automobiles cost more. In addition, the first ones would have a high U. S. content. In view of import controls and the dollar shortage, it's doubtful if Ottawa would hand out the necessary exchange. Transmitters (around $250,000) would have to be bought in the U. S. too.

How did we see a televised wrestling match from Buffalo? An expensive ($1,500) preimport control receiver, an elaborate antenna, plus good weather and the fact that Buffalo is on top of the Niagara escarpment and Toronto below its level.

Ultra short waves which carry television do not follow the earth's curvature as do long waves used in regular A.M. broadcasting. Generally speaking, the horizon, as seen from the top of the transmitter, is the maximum range of a station (see chart).

Because Buffalo is high and Toronto low, Buffalo television signals just reach Toronto. But in the other direction, the range is only about 17 miles.

If more Canadians could experience television, it's possible the thrill of it could create a demand which might stimulate development here. But at best, television appears to be at least two years away for us.

Television in Canada

By International agreement Canada has been allotted [illegible] clear television channels. Because the maximum range of television waves is the horizon, more than one station can use the same channel. So far Canada has assigned 102 stations to these 13 channels. Of these, 76 have been allocated.

BY PROVINCES

Nova Scotia	8
P. E. I.	3
N. B.	6
Quebec	10
Ontario	29
Manitoba	3
Saskatchewan	5
Alberta	4
British Columbia	11

BY MAJOR CITIES

Halifax	3
Charlottetown	2
Saint John	2
Chicoutimi	2
Sherbrooke	2
Quebec	4
Montreal	5
Ottawa	3
Toronto	3
Winnipeg	3
Regina	3
Moose Jaw	2
Calgary	4
Saskatoon	2
Vancouver	3

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On Brokers' "Most Popular" Stock List:

McColl-Frontenac Oil Co. Ltd.

"What stocks would you choose for security and capital appreciation over the next three years?"

That was the question which The Financial Post put to a group of leading Canadian brokerage and investment firms. In recent weeks The Post has published the lists they selected.

Here, The Post analyzes another of the 20 stocks which received the highest number of votes. Analysis does not, of course, mean that The Financial Post recommends the purchase or sale of any of these securities now or at some time in the future.

By JAMES H. JOYCE

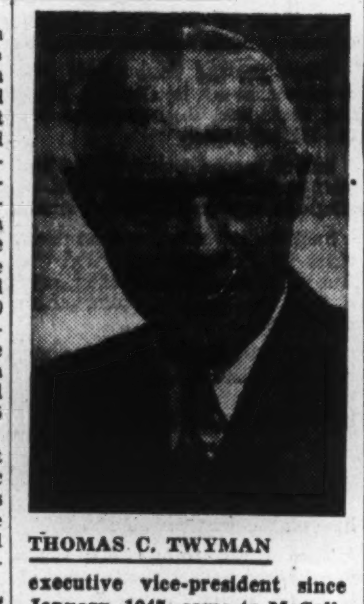
Why was the common stock of McColl-Frontenac Oil Co. on the list of the 20 "most popular" stocks to hold over the next three years in The Financial Post's recent poll of opinion in the investment community?

The reasons would seem to be as follows:

1. McColl-Frontenac Oil is one of the most aggressive oil companies in Canada. Its own crude production however is far short of its refineries requirements. It has crude oil supplies, refineries and distribution outlets.
2. It has a large outstanding U.S. parent company — the Texas Co.—behind it.
3. It has a good potential for expansion of its retail business. Its sales show a rising trend.
4. It has interesting possibilities from its exploration program in Western Canada and so is one of the safer bets to participate in in the western oils.
5. It is selling at a lower times-earnings ratio than the other large Canadian oil companies.
6. The future of the oil industry appears favorable for continued growth and larger earnings.

JOHN M. PRITCHARD

president of McColl-Frontenac Oil since 1942, a director since 1932, joined the company as vice-president in 1928 when his former company, Tidioute Refining Co. of Canada, was purchased.



THOMAS C. TWYMAN

executive vice-president since January, 1947, came to McColl-Frontenac Oil in January, 1942, as a director and vice-president in charge of marketing, being on indefinite leave of absence from the Texas Co. with which he has been associated since 1929.

McColl-Frontenac Oil common is currently selling around $14⅛ a share to yield about 3.53% on the basis of a 50c annual dividend rate (the rate indicated by last year's payment of $1 on the old common stock before the two-for-one stock split). Last year's dividend was the highest annual dividend ever paid on the common stock. At its current price the common stock is selling above the equivalent high of the old stock for any time between 1930 and 1946 and is only slightly below its high of $15⅛ a share ($30¼ on the old stock) made in 1947. Its all-time high was equal to $22½ a share made in 1929 ($45 on the old stock).

At its current level of about $14⅛ a share, McColl-Frontenac Oil common is selling at 10 times its 1947 earnings of $1.41 a share (Imperial Oil 21.7 times; B-A Oil 16.3 times and Canadian Oil Companies 11.1 times).

A record of the price range of the stock, the company's working capital position and an abbreviated income account showing earnings and dividends per share for the 12 fiscal periods 1936-47 are shown in the accompanying table.

Income at Record High

Gross operating income of $55.6 millions in 1947 was at an all-time high—28% higher than in the previous year and nearly 2.7 times the sales of $20.8 millions for the fiscal year ending Jan. 31 1938.

Sales for the first three months ended March 31, 1948, show a satisfactory increase over the same period last year and the management is looking forward this year to the largest sales in the company's history, President J. M. Pritchard stated at the annual meeting.

The ratio of the consolidated net profit to the gross operating income was 5.01% in 1947—a substantial drop from the 7.14% in 1946 and 17.2% below the ratio of 6.05% for the year ended Jan. 31, 1940.

As a result, despite the substantial jump in sales to a new record, the consolidated net profit of $2,780,631 for 1947 was 15.7% below its record of $3,218,596 made in 1946.

The consolidated net profit for the 12 fiscal periods shown totals $16.3 millions. Dividend payments on the preferred and common for the period totaled $8.6 millions or 52.8% of the consolidated net profit. Earnings a common share averaged 56c a share a year for the 12 fiscal periods while dividend payments on the common averaged 35c on the same basis.

McColl-Frontenac Oil common at $14⅛ a share is selling at about 25 times its average earnings for the past 12 fiscal periods. It is selling at about 10 times its 1947 earnings.

What are its sales prospects?

The Canadian oil industry expects demand in 1948 will be about 10% higher than in 1947. Whether it can meet this demand will depend on supplies of crude oil. Mr. Pritchard stated that Mccoll-Frontenac is looking for a new record to be set in its sales in 1948.

Future demand for petroleum would appear likely to increase. In the United States a study by the Office of Domestic Commerce places the total demand for petroleum products in 1950 at 15% greater than in 1946. The demand for distillate fuels for home heating and for Diesel engines would appear to have good growth prospects while the demand for gasoline also shows a rising trend.

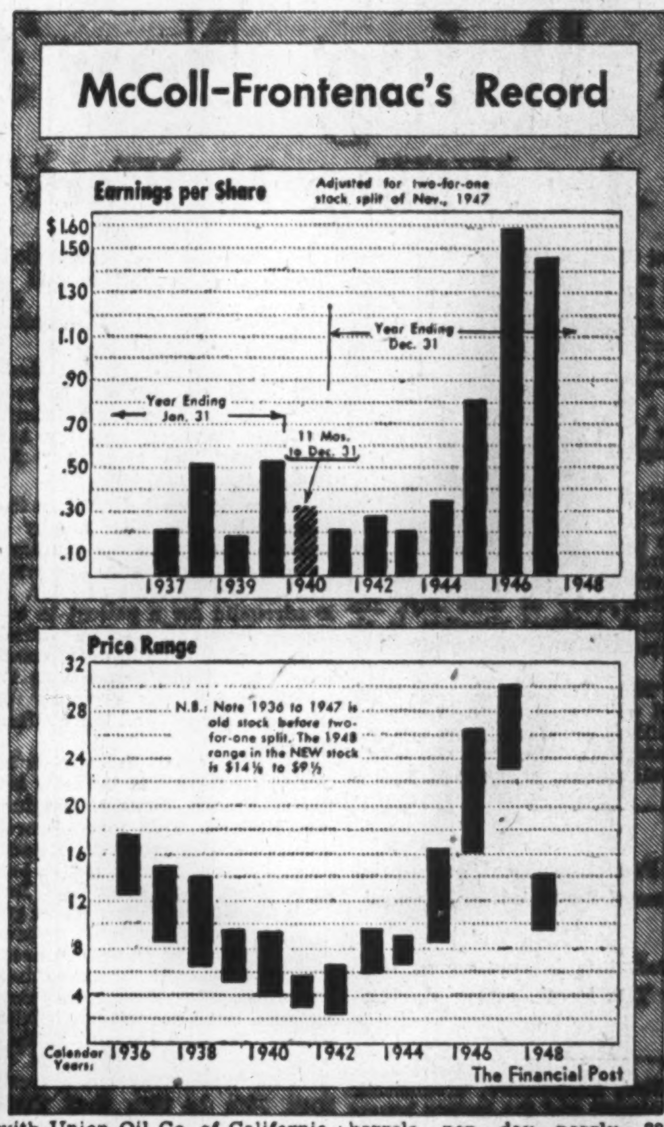
In addition to its sales prospects, however, McColl-Frontenac Oil has prospects of increasing its production of crude oil.

The company's Trinidad subsidiary holds leases on about 17,500 acres of private and government land in Trinidad, B.W.I., of which about 900 acres are proven, and also holds an exploration license on approximately 18,500 acres of government land. Its gross crude oil production amounted to 602,341 barrels in 1947 as compared with 538,893 barrels in 1946. The subsidiary's petroleum engineer has estimated commercially recoverable reserves in the proved area of approximately 2.4 million barrels.

In addition to these operating properties, the company has "interests" in extensive acreage of prospective gas and oil lands in the province of Alberta, a portion of which is considered proved for gas production.

In the Pakowki Lake region in Southern Alberta the company holds interests jointly with Union Oil Co. of California, in equal participation, in approximately 450,000 acres, of which 75,000 acres are considered proved for gas production with the balance of the acreage either as yet not proved or found unproductive. The potentiality of the gas fields so far proved has been estimated by company engineers at 340 billion cubic feet, calculated on the basis of 100 pounds end pressure. Productive gas wells so far completed are shut in until such time as the production therefrom can be profitably used or marketed.

In the Westaskiwin-Lake St. Ann area of Northern Alberta the company has interests jointly with Union Oil Co. of California, in equal participation, in approximately 65,000 acres, and jointly with Ashley Gold & Oil Minerals Ltd., in equal participation, in approximately 12,000 acres. In the same area the company holds interests in approximately 980,000 acres on a non-joint basis. In the Muskeg area of Northern Alberta the company has a 20% interest with four other oil companies in approximately 200,000 acres and in 1946 entered into a joint agreement with them for the exploration of the area.



Agreement With Texaco

In 1947, McColl-Frontenac entered into an agreement with the Texas Co. providing in substance that the company and the Texas Co., or a wholly-owned subsidiary of the Texas Co. will enter into a joint operating agreement effective Nov. 1, 1947, for the exploration and development of the company's entire interests in the Alberta acreage excepting only the Pakowki Lake area. The arrangement contemplates that the Texas Co. will undertake to expend up to $3.5 millions for the purpose of exploring these interests and that McColl will assign to the Texas Co. a 50% participation in its interests other than the Pakowki Lake area. Provision is made for the re-assignment to McColl of the Texas Co.'s interests under certain conditions, mainly where there is no commercial discovery or where the Texas Co. decides no further development is warranted. In addition McColl will be granted the right to purchase at current market prices the Texas Co.'s entire share of any net production. McColl anticipates that this arrangement will result in the exploration of its Alberta acreage without further immediate cost to the company.

Speaking of its acreage in the Leduc area Mr. Pritchard stated at the annual meeting that, while oil has not yet been obtained, several promising structures have been located by surveying and drilling is progressing.

Another favorable factor for the company will be the completion of the construction of a fluid catalytic cracking unit at its Montreal East refinery. This is expected to be completed by Sept. 1, 1948, and to raise the crude oil capacity of the Montreal East refinery to approximately 40,000 barrels per day—nearly 82% above its present 22,000 barrel a day capacity. In addition the company is building a new lubricant blending and grease manufacturing plant at Toronto which is expected to be completed by May 1, 1948.

Cost of the construction program at the Montreal plant is estimated at $10 millions and of the lubricant plant at $1 million.

Financial Position

Reflecting this the book value (cost) of property plant and equipment of $37,795,194 at Dec. 31, 1947 is $9.6 millions or 34.2% higher than at Dec. 31, 1946 and is about 46.8% above its Dec. 31, 1944 level. The depreciation reserve amounted to $18,089,199 at Dec. 31, 1947 or to 47.8% of the fixed assets at Dec. 31, 1947, and 29% above its Dec. 31, 1944 figure of $14,035,702.

McColl - Frontenac's working capital position is strong. Current assets total $20,629,429 at Dec. 31, 1947; current liabilities, $10,198,961. Working capital was $10,430,468—about the same figure as the year earlier but over three times its Jan. 31, 1938 figure of $3.3 millions.

Inventories at the year end were at a new high of $12,692,152 or 61.3% of total current assets. They are, however, less than one quarter (22.8%) of the 1947 gross operating income.

McColl - Frontenac's outstanding capitalization at Dec. 31, 1947 consisted of $19.5 millions first mortgage bonds; $6 millions of 4% preferred stock, par $100, and 1,800,000 no par value common shares carried at $11,053,904. (The old common was split on a two-for-one basis in November, 1947.) Surplus totaled $5,383,718. Of the bonds, $5.5 million were 3% serials due 1948-58, $6.5 millions were 3%'s due Oct. 1, 1971, and $7.5 millions were 3¼% due Oct. 1, 1972.

Under a prospectus dated Jan. 14, 1948, McColl-Frontenac offered to its common shareholders the right to subscribe for an aggregate of 900,000 common shares at $10 a share being at the rate of one additional share for each two shares then held. Shareholders subscribed to 807,963 shares.

The prospectus stated that the Texas Co. owned about 49.98% of the common shares at Jan. 14, 1948, and that the next largest

(Continued on page 17)

McColl-Frontenac Oil Co. Ltd.

	Year Ended Dec. 31 (thousands of dollars)							11 months to Dec. 31	Year Ended Jan. 31			
	1947*x	1946*	1945*	1944*	1943*	1942†	1941†	1940†	1940†	1939†	1938†	1937†
Gross operating income‡	55,603	43,447	41,214	38,195	36,390	35,330	33,238	24,890	20,960	21,232	20,755	Not
Costs and expenses (excl. deprec., etc.)‡	48,729	36,323	35,848	33,143	32,088	30,615	27,851	21,045	17,677	18,642	17,491	available
Profit from operations in Canada	....	6,782	5,585	5,002	4,521	4,558	4,726	3,676	3,380	2,701	3,419	2,426
Inc. from investments	135	148	59	20	38	36	36	28	30	26	60	19
Profit on sale of investments	....	277	14	1	4	133	6§	...	...	...	...	...
Net income from Can. business	....	7,296	5,658	5,022	4,563	4,728	4,756	3,704	3,410	2,727	3,479	2,445
Depreciation	1,434x	1,008	826	892	1,055	1,459	1,408	1,236	1,136	982	947	819
Res. for bad debts	....	....	....	....	...	93	101	115	88	75	69	73
Bond, mtge. & bank int.	454x	426	452	468	482	489	501	468	523	740	733	571
Reserve for inventory deprec.	....	....	680♦	243	363	214	380	150	...	...	98°	...
Amort. of bond disc.	....	26	36	38	40	43	46	47	60	57	52	52
Contr. to pension plan	....	164	171	118	107	117	108	...	...	...	...	...
Reserve for inc. tax, etc.	2,007x	2,575	•3,075	•2,010	1,133	•1,440	1,360	630	338	111	315	166
Net profit from Can. business	....	3,098	1,777	1,253	1,384	872	852	1,058	1,266	762	1,267	765
Net profit from oper's o/s Can.	....	121	§313	§303	299§	...	...	...	...	...	...	...
Consol. net profit	2,781	3,219	1,465	959	1,085	872	852	1,058	1,266	762	1,267	765
Preferred dividend	240	356	457	457	456	460	463	467	471	473	478	466
Common dividend	900	450	675	....	135	135	...	...	...	230	330	528
Surplus for year	1,640	2,412	333	494	493	277	390	590	794	58	458	§229
Ref. EPT	....	....	452	138	...	95	...	...	...	...	...	...
Surplus fwd. (after adjustments)	5,384	3,850	2,336	1,551	2,544†	3,701	3,814	3,566	3,182	2,286	3,646	2,986

‡Figures for 1938-46 are taken from prospectus filed with U.S. S.E.C. and are after giving effect to surplus adjustments; figures do not tie in with those below which are from annual reports to shareholders. *Consolidated to include all company's subsidiaries, 1943 being adjusted. †Parent company and Canadian subsidiaries. §Loss. °Reserve for contingencies. ♦To decrease reserve to amount allowable under EPT. •Excludes refundable EPT, shown below. xReport for 1947 is fully consolidated statement and net profit figures for prior years are not comparable.

Working capital	10,430	10,418	10,684	11,452	9,105†	9,228	7,183	6,553	6,211	5,614	3,330	3,326
Common stock ($):												
Earned▲	....	....	1.12	0.55	0.14	0.46	...	...	...	...	...	...
Earned■	1.41a	3.18	1.62	0.70	0.42	0.46	0.43	0.66	1.05	0.38	1.03	0.45
Paid	0.50a	0.50	0.75	nil	0.15	0.15	nil	nil	nil	0.30	0.50	0.80

▲Excluding (■Including) refundable portion of excess profits tax.
a Adjusted for two for one stock split. Previous figures are for old stock before split.

Common Price Range ($): (calendar years) (old stock)									1939	1938	1937	1936
High	30¼	26½	16½	9¼	9⅞	6⅜	5⅞	9½	9⅝	14	15	17¾
Low	23⅜	16¼	8¾	6⅞	6	2½	3	4	5¼	6⅛	8½	12¼

1948 to date on new stock after split: High $14⅛; low $9½.
Note: Shareholders approved the subdivision of the common shares on a two-for-one basis on Nov. 19, 1947.

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The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INCOME TAX

Mine Depletion Allowance

What is the depletion allowance authorized as a deduction from Canadian mining stock dividends for income tax purposes?

The general rate of depletion allowed for Canadian and non-Canadian precious and base metal producing mining companies is 20%. No deduction is allowed in the case of holding and exploration mining companies.

INVESTMENTS

Canadian Car

Will you please give me your opinion of Canadian Car preferred stock. I bought this at $25 a share and the stock is currently around $15⅞.

The class A stock of Canadian Car & Foundry Co. is currently selling around $16 a share where it yields 6.25% on the basis of its $1 noncumulative dividend rate. This stock is the senior security outstanding of the Canadian Car & Foundry Co. and is convertible at any time into ordinary shares on a share-for-share basis. It should be noted, however, that its dividend rate is noncumulative.

Canadian Car class A shares were offered at $22.50 a share by Wood Gundy & Co. in January, 1946. The shares had a high of $23.75 a share and a low of $18.50 a share in 1946 and a high of $19.25 a share and a low of $16 a share in 1947.

Earnings per class A share were $1.78 in 1947 and $2.76 a share in 1946.

Operations of the company were affected in the 1947 fiscal year by the virtual cessation of activity in the car shops for a protracted period, due to the shortages of certain essential materials. Since the beginning of 1948 production and deliveries have reached an encouraging level, with every indication of a still greater advancement toward normalcy as an immediate possibility, President V. M. Drury announced on January 30, 1948.

Orders for domestic and export sales were valued at over $80 millions in January, 1948, sufficient to ensure capacity operations well into 1949, Mr. Drury told shareholders at the annual meeting. Provided no further interruptions are experienced prospects for the current fiscal year are most promising, the president added.

Working capital increased to $7,189,736 at September 30, 1947, from $6,374,747 at the end of the previous fiscal year. Inventories were substantially higher at $16,906,797 as compared with $12,447,752 a year before, but are protected by firm orders placed for rolling stock, Mr. Drury stated.

Canadian Car class A stock did not appear to be particularly "well digested" after the issuance and this was no doubt one factor in its weakness. Another, of course, was the poor earnings for 1947. Judging from the president's statement the company might be expected to show better results in its current fiscal year. If this is so, and if the stock market generally strengthens, then some improvement in the price of this stock might logically be expected.

Skillcraft Metal Products

What is the position of Skillcraft Metal Products Ltd? I bought 1,000 preferred and 150 common shares about Dec., 1945.

S. A. Goff of Goff & Habeshaw advises us that Skillcraft Metal Products Ltd. has been in voluntary liquidation since last October. When matters are finally cleared up, there will be a distribution to shareholders, he states.

It is by no means certain how much this will be at this time, as the actual amount is contingent on the settlement of their tax position. However, Mr. Goff estimates that if the company obtains a satisfactory settlement as to tax liability, there should be around $8 to $9 a preferred share available for distribution.

Mr. Goff advises that an offer was made to shareholders to purchase their entire holdings of preferred shares at $20 a share but that this offer expired last autumn.

The company was sold by the liquidators to the Beach Trust of which Arthur C. Beach is one of the principals.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

QUEBEC TELEPHONE CORP. 1947 net profit was up 25.9%. The Quebec Telephone Corp. took over the assets of Quebec Telephone & Power Corp. together with the two subsidiaries — Portneuf & Champlain Telephone Co. and National Telephone Co. A new subsidiary, Gulf of St. Lawrence Telephone Co. was formed to operate the telephone and telegraph service in North Gaspe and Saguenay counties. Many modern features will be added to the services in this area, so that they can play their part in opening up new frontiers, the annual report states.

The company entered the leased wire service field during the year and 866 miles of circuit now provide private teletype service to subscribers. New switchboards were installed and the exchange systems modernized at Ste. Marie, Ste. Anne des Monts and St. Ubald. Further toll facilities were established between Quebec City and Rimouski, Baie Comeau, Matane, L'Islet, Montmagny and Beauceville; in all, circuit mileage of toll system network was increased by 830 miles during the year.

The local telephone system now serves a population of over 250,000, of whom only 4% have telephones, which provides an ever-increasing field for extensions.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$234,841	$200,470
Less: Deprec.	73,685	62,297
Bond interest	24,955	16,861
Disc. & exps. w/o	2,178	......
Income tax	64,872	66,405
Net profit	69,151	54,907
Less: Cl. A divds.	14,514	14,514
Surplus for year	54,637	40,393
Times All Interest Earned:		
Before deprec.	9.41	11.89
After deprec.	6.46	8.19
Earnings per Share and Dividend Record:		
Class A	$1.91	$1.51
Paid	0.40	0.40
Class B	d0.10	d0.50
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$266,669	$7,593
Accts. rec.	157,866	50,238
Mats. & supplies	71,691	62,056
Total curr. assets	496,226	119,887
Prepay'ts.‡	4,425	967
Invest. at cost	32,816	37,527
Deferred chgs.▲	49,908	10,582
Fixed assets	2,658,944	1,968,369
Total assets	3,242,319	2,137,532
Bank loan	......	25,000
Note pay.	100,000	......
Accts. & tax. pay.	121,182	79,684
Other curr. liab.	25,815	22,242
Total curr. liab.	246,997	126,926
Deferred liab.	53,601	......
Funded debt	1,200,000	477,000
Deprec. res.	821,019	658,047
Min. int. in subs.	......	2,313
Capital stock	768,089	768,089
Surplus▲	152,613	105,157
▲Incl. ref. EPT	8,053	8,053
‡Incl. in curr. assets in co's.		
Working capital	249,229	*7,039

*Excess of current liab. over current assets.

McColl-Front.

(Continued from page 16)

holder held about 2.79% of the shares. The Texas Co. designates four of the directors, two of whom are directors and officers of the Texas Co., it was stated.

Company Officers

Management is considered aggressive by financial circles. Chief executives are: J. M. Pritchard, president; T. C. Twyman, exec. vice-president; G. R. Taylor, vice-president; Air Marshal W. A. Bishop, vice-president; T. V. Anderson, treasurer and comptroller, and Fred Hunt, secretary. Directors are the first three above and A. A. Magee, K.C., chairman of the board; L. O. P. Walsh, H. W. Thorp; Hon. E. L. Patenaude, K.C., all of Montreal; J. H. Gundy, E. P. Taylor and W. Zimmerman, K.C., of Toronto; H. H. Bradburn, Winnipeg; Harry T. Klein and R. L. Saunders, New York. Mr. Pritchard received a total remuneration of $46,300 in 1946 and Messrs. Twyman and Taylor received $25,300 each.

The company and its subsidiaries have approximately 1,850 regular employees and have contracts with various labor unions covering about 480 employees. Relations with employees have been generally harmonious, the company states.

McColl-Frontenac Oil Co. refines and distributes throughout Canada industrial oils, lubricants, gasolines, kerosene and fuel oils.

Outside Canada the company has obtained crude oil production in two fields of Trinidad, B.W.I. through a wholly-owned developed subsidiary, Antilles Petroleum Co. (Trinidad).

It owns two refineries, the one at Montreal East, mentioned above, and one at Toronto with a present daily crude oil capacity of about 12,000 barrels. It owns 14 marine terminal storage plants. It has ownership or leasehold property interests in 197 bulk stations and 544 retail service stations in Canada.

SILVER MILLER MINES has received permission of Toronto Stock Exchange and Ontario Securities Commission to release of the balance of 100,000 shares from escrow.

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Watch Debt and Expenditures Municipalities Are Warned

Municipalities, despite a sharp drop in debt, are just as vulnerable today to a drop in national income as they were in 1930, the annual report of the Dominion Mortgage & Investments Association concludes.

Net municipal debt showed an increase for the second successive year. In 1946 the increase was minor in character, amounting to only $3 millions, but in 1947 it was $25 millions—the first substantial increase recorded since 1932. Net outstanding municipal debt, including school debt, now stands at about $895 millions—a decrease of $487 millions or 35% from the peak in 1933 and $142 millions less than 1926. It is probably at the same level as in 1923, the report states.

In relation to assessment, income and population, municipal debt today is much lower than it was in 1923, the report states. But other factors are not as favorable.

Current municipal revenue of Canadian municipalities in 1947, exclusive of provincial grants, was greater than in any previous year, amounting to more than $395 millions—an increase of 25% over 1930. Taxation of real estate continued to be the main source of revenue, amounting for 74% of the total. This is larger than the comparable 80% in 1930.

Current expenditures of municipalities, of $401 millions including provision for debt retirement, passed the $400 million mark for the first time in 1947. This is an increase of 28% over 1930 and 23% over 1940—a reasonable increase considering the rise in salaries and wages and the increased cost of goods and services generally.

Subsidies are Higher

But the real cost of municipal debt services has gone up much more sharply. Debt charges are down substantially. Unemployment relief expenses are small. Every province is paying a much larger share of education costs than formerly. Provincial subsidies to municipalities have increased. If the municipalities in 1947 had been paying the same proportion of total school expenses as they were in 1930, or even in 1940, then municipal expenses in 1947, other than debt service, would have been 60% higher than in those years, the report states.

Municipal education costs have risen $28 millions despite the fact that a much larger share of education costs is being borne by the provinces. Combined municipal and provincial expenditures for education have increased by almost $100 millions over the past eight years and the provinces are now bearing 48% of education costs as against 31% in 1939.

A further increase in municipal debt over the next few years is to be expected. There are many municipal improvements which are needed and must be proceeded with but there is need for caution, and delay where possible. The municipal public works program now under way will mean a substantial increase in debt which under present conditions is bound to result in higher taxes, and the tax burden on real estate is already too heavy.

Municipalities in their own interests, in the interests of their citizens and in the interests of the nation should defer for the time being any projects which are not absolutely necessary; a large program of municipal works at this time will only add fuel to the inflationary fires, whereas such a program will be of great value when national income falls off after the inflationary boom has run its course, it states.

ARCHITECTS

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B.A.Sc., F.R.A.I.C.
TORONTO

R. A. JOHNSON

At a recent Annual Meeting of Donald Ropes & Wire Cloth Limited, Mr. R. A. Johnson, Assistant Sales Manager, was appointed General Sales Manager.

Mr. A. Donald, Founder of the business, continues as President with Mr. Geo. E. Donald as Vice-President and General Manager.

The company specializes in the manufacture of all types of Steel Wire Ropes as well as Woven Wire Cloth and Screens, with distribution throughout Canada.

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WILLIAM W. McLAUGHLIN, K.C.
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NT.24

The Provincial Roundup

British Columbia

Hope for Civic Tax Cut: Vancouver citizens faced the prospect of paying out more in municipal taxes this year, but saw hope of a cut in 1949. With the civic budget at a record high of $22,214,000, the 1948 tax rate remained pegged at 56 mills gross; but assessments had been increased by a total of approximately $1 million, which would mean an additional outlay of from $2 to $6, for the average citizen. The new civic business tax, to become effective July 1, would levy an additional $1 millions from business houses. Next year, however, the city hoped to receive at least $1.6 millions from the provincial sales tax; which might permit a five-mill cut in the tax rate. "We are gradually getting nearer to giving the property-owner a 50-50 break" said Acting Mayor George Miller. "Last year 80% of the city's revenue came from property and home owners. This year the figure is down to 62%."

• • •

Alberta

Cabinet Reorganized: Death of Public Works Minister W. A. Fallow, brought a minor cabinet reorganization. Hon. D. B. MacMillan took over the works portfolio, and was succeeded as Minister of Agriculture by David Ure, Red Deer, Hon. C. E. Gerhart took over the post of Provincial Secretary from Hon. A. J. Hooke, who continues as Minister of Economic Affairs; while J. L. Robinson, Medicine Hat, succeeded Gerhart as Minister of Industry and Labor. The shakeup, however, brought no further hint of the election date; informed opinion still favored early August. Fallow's death left Premier E. C. Manning and Health Minister W. W. Cross as the only survivors of the original Aberhart Social Credit administration of 1935.

• • •

Saskatchewan

Anti-Socialist Front: The anti-CCF united front was widening, this week. Liberals and Progressive Conservatives were already pledged to support joint candidates in six constituencies—Melfort, Milestone, Moosomin, Regina, Saskatoon and Souris-Estevan—and similar action was forecast in Gull Lake, Moose Jaw and possibly elsewhere. While Liberal Leader Walter Tucker pledged his party "to retain anything of value introduced by the CCF," Social Crediters stood firm against "Socialism, whether under the CCF or under the Liberal banner"; announced that, with 32 candidates already in the field, they would contest every seat in the province. Dr. J. N. Haldeman, provincial leader, and Social Credit candidate in Yorkton, lashed out at the CCF's Natural Products Marketing Act, 1945, as "socialism in the raw—the most diabolic totalitarian piece of legislation ever lined up to socialize completely, the farming industry . . . . farmers can be ordered to sell their grain or farm products when and where the Board dictates. . . . . The Board can seize, remove and dispose of any of the regulated products; can set and impose its own penalties, force a farmer to take out a license, make its own laws and regulations; has the power to discriminate if it thinks you are not a good CCFer; holds the accused guilty until he proves himself innocent; and, at the taxpayers' expense, can hire high-paid organizers to induce farmers to submit to this complete slavery."

• • •

Ontario

Big Election Field: Some 250 starters were at the turn this week, in the province's election race, due to end at the polls June 7. Progressive Conservatives and Liberals both planned to contest all 90 seats; the CCF said it would have at least 80 candidates in the field. Labor Progressives (Communists) hinted they might confine themselves to the two seats they held in the last House, St. Andrew and Bellwoods, both in Toronto; elsewhere they would generally support the CCF whether the latter liked it or not. Biggest surprise of the campaign, to midweek, was the entry of 11 Union of Electors (Social Credit) candidates. Liberals and CCF were both already in the field against Premier G. A. Drew in High Park (where, in 1945, the premier's only opponent had been CCFer Lewis Duncan). Liberal ex-premier Mitchell F. Hepburn early this week declared himself definitely a nonstarter: "I am out of politics, and that's final".

• • •

Quebec

Vote in July? This week might see the election cat out of the bag. Unofficial sources said the date might be set at a midweek cabinet session, and hinted at late July. That would probably place Quebec third in the field, definitely behind Ontario, and almost certainly behind New Brunswick also. The reason: Premier Duplessis hoped to time his appeal to the voters, between the Ontario campaign, and the federal Liberal convention in August; if the latter gathering named External Affairs Minister St. Laurent, as successor to Prime Minister King, it might encourage a provincial stampede to the Liberal cause.

Simultaneously, rumors were heard that Mayor Camillien Houde of Montreal might again be a candidate for the House of Commons in the next federal campaign, running probably either as a Progressive Conservative or an independent Conservative, against Hon. Gaspard Fauteux, Speaker of the present House of Commons, in St. Mary (where he had been beaten in 1940, as he was also in St. Henry in 1935).

• • •

New Brunswick

Expect June Vote: New Brunswick was the second province to break from the barrier in the election free-for-all, although no definite date had yet been set. Insisting that "vital and fundamental issues have arisen, which brook no delay in decision," Premier J. B. McNair announced a summer campaign, probably in June; also stated that he will continue to lead the Liberal party (earlier rumors had hinted he might go to the Supreme Court Bench). A protest against increased freight rates, and a demand for implementation of federal social security measures, will be among the main planks in the government's platform. Party standing at dissolution of the House was Liberals 36, Progressive Conservatives 11, Independent 1; but the next House, under a redistribution measure enacted this year, will have four more seats, distributed among Restigouche, Gloucester, Northumberland and Moncton.

• • •

Prince Edward Is.

Housing for Capital: A housing project for Charlottetown was finally being negotiated with Central Mortgage & Housing Corp. after two years of backing and filling over site, costs and rentals. Tenders were to be called soon for 29 apartments, for which the City would supply streets, water, sewer and lights. At the end of 50 years the property would revert to the City.

Distribute Spud Profits: Looking back on its best season in 30 years, the Island Potato Growers Association reported a $4.5 million turnover in 1947; announced plans to distribute all but $5,000 of the profit, among members. The rebate, on a basis of five cents a bushel, will be paid in the form of debentures maturing in 10 years, in order to keep working capital intact.

COMPANY REPORTS

BRITISH CANADIAN TRUST 1947 net profit was $16,092 ($12,478 in 1946). Mortgages outstanding were $81,636 ($61,384). Total assets amounted to $923,996 ($916,872), liquid assets $659,098 ($668,709). Estates, trusts and agencies under administration were $2,234,778 ($1,940,656).

	1947	1946
Liabs. to public, etc.*	$664,426	$689,084
Shareholders' equity	259,570	227,788
*Secured by:		
Mortgages	81,636	61,384
Real estate	154,535	156,266
Realty for sale	......	2,800
Fixed assets	28,727	27,713
Liquid assets‡	659,098	668,709
Total	923,996	916,872
‡Includes bonds.		
Estates account	2,234,778	1,940,656
Earned per share†	$8.64	$7.91
Paid	5.00	5.00

†Based on paid-up capital.

ACADIA TRUST 1947 net profit was $41,878 ($42,118 in 1946). Assets at year end totaled $10,980,832 ($10,278,651). Company assets were $1,259,896 ($1,200,801); guarantee funds and estates and trust agencies $9,720,936 ($9,077,850).

	1947	1946
Liabs. to public	$1,590,389	$1,780,634
Shareholders' equity	1,066,127	1,062,249
Security depr. res.	180,157	143,740
*Secured by:		
Mortgages	227,020	192,218
Liquid assets‡	2,609,653	2,794,405
Total	2,836,673	2,986,623
‡Includes bonds and stocks.		
Estates account	8,144,159	7,863,484
Earned per share	$20.94	$21.06
Paid	19.00	19.00

CANADIAN CANNERS LTD. during April exchanged an additional 1,254 convertible preferred shares for an equal number of common, reducing number of preferred outstanding to 297,570 and increasing common outstanding to 195,360 shares.

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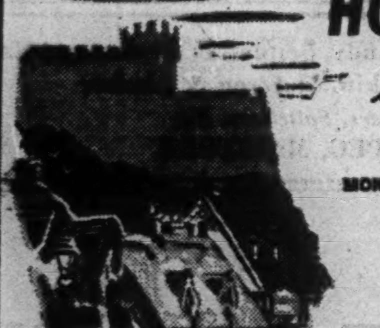

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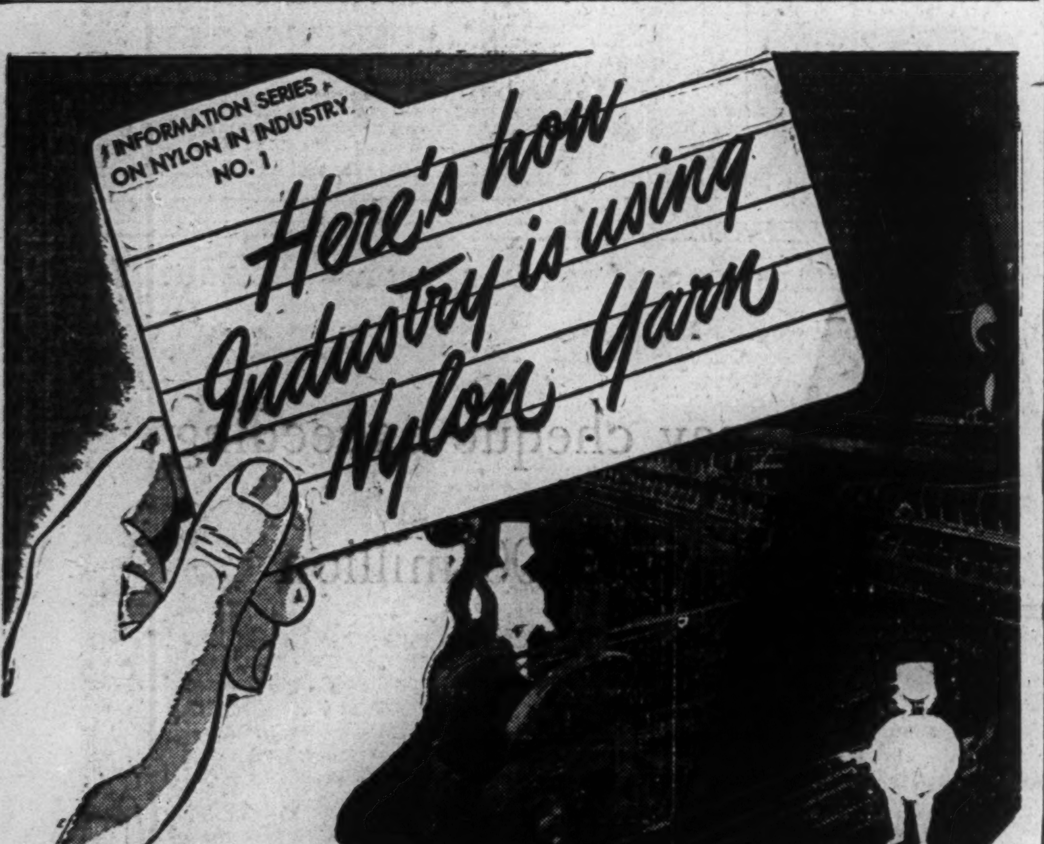

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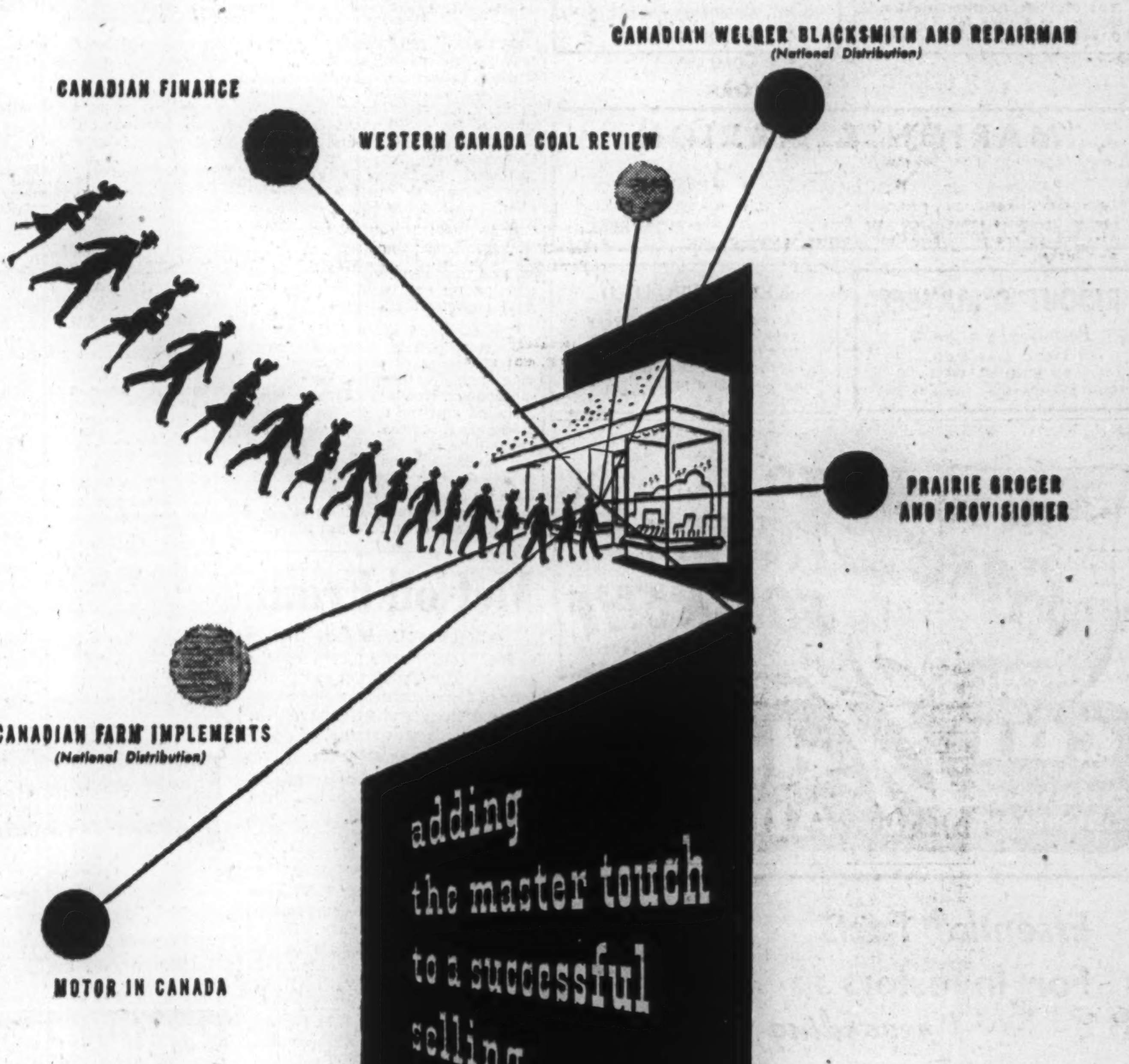

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ENTERPRISE AT WORK

How New Products Are Designed

Here's How Canadian Combines Pencil—Machine Skills

By CLIVE CHATTOE

From immigrant at five to one of Canada's most promising industrial designers at 35 is the story of Sid Bersudsky of Sydney. The young Maritimer has some big companies as clients, a dozen or more original design items on the market or nearing market stage, plans for a Toronto office. Here's the success story of a Canadian who is helping Canadian business to succeed.

Design-conscious Canadian manufacturers are just waking up to the fact that they can buy competent product design for Canadians by Canadians.

Industrial design, cousin at once to art and engineering, is Canada's newest professional field. It is also one of the hardest to break into. A good product designer isn't made overnight. He must know, and know well metals, woods, glass, plastics, ceramics. He must be thoroughly familiar with basic process techniques for all of them. And he must be a constant and efficient student of consumer tastes and market conditions. Finally, he must have sound artistic sense coupled with a flair for bold invention.

That's why today Canada has fewer than 15 men of experience applying time and energies seriously to this work as consultants; a mere fraction of that number doing so to the exclusion of allied pursuits — that is, running a consulting office devoted solely to product design, as an architect devotes his purely to building design.

One of the youngest of the Canadian handful is Sid Bersudsky, 35, of Sydney, N.S., who came to Canada and Saint John at five with his immigrant parents from Europe and who, in his junior high school days deliberately embarked on an industrial design career.

Bersudsky has worked with hand as well as brain all the way. As he puts it, working with machines and materials, along with pencil and midnight oil is a "must" for the aspiring product designer. He says he'd have shifted to shopwork from art at the same early age even if it hadn't been necessary to earn a living while yet in his 'teens.

Worked in Factories

After a brief period at Saint John technical school, a three-year day course at New York Art School and a short course in business administration at Columbia University, young Bersudsky worked for several years in wood and metal working shops; varied this with commercial art assignments and engagements in newspaper cartooning for the Saint John Telegraph-Journal and Maritime Broadcaster.

Seven years ago, at 28, he moved to Sydney where he set up a studio for design and fitting of exhibition booths, store interiors, furniture, and for general practice in commercial art. During most of the war period, government assignments in the art field effectively blocked the journey toward fame in industrial design — Bersudsky's propaganda posters for war saving, worker efficiency, industrial safety and venereal disease control — variously for the War Information Board, National Film Board and Dept. of Pensions and National Health won wide attention.

Will Move West

With war's end in 1945, he deliberately pinched off the art work, enlarged laboratory, workshop and office, added a staff of five trained men whom he calls associates. Now he's planning to open an office in Toronto, which he thinks some day will be a major North American product design centre.

Thus, the firm of Sid Bersudsky & Associates is branching out boldly in the relatively new field.

What's more, it's doing business in promising volume. Among recent clients with new Bersudsky designs scheduled for early production but not yet announced:

General Steel Wares.
Canadian Westinghouse.
General Plastic Products.
Philips Industries.

Fees or royalties are worked out individually. "There's no fixed schedule," says Bersudsky. "Ascertainable value is the basis and charges usually are readily agreed on."

Asked if he was cleaning up in the rising trend of industry toward product redesign and in increasing use of new materials and processes, he said his business and the new trend alike were too young to have made a million. But he said Bersudsky & Associates, after investing substantial sums on preparatory work passed the break-even point last year and look for substantial profit in 1948 and years ahead.

Some of the design ideas Bersudsky is selling industry — in many cases along with preliminary guidance in production and marketing — have been offered as original creations of his office. Others have been worked out on assignment from the client. He aims to pursue both functions about equally in expanding the business.

Some of their "Designs"

Besides the Bersudsky designs being developed by the companies enumerated above and a number of smaller firms, here are some of the gadgets he and

MR. BERSUDSKY

his group have developed independently and in most cases currently are offering industry:

1. A round flashlight about half as thick as a big alarm clock, with a transparent plastic face, aluminum reflector, red plastic reflector back for highway safety, a "dim" as well as "full" switch, hanger-carrier-stand handle and other features. Patent is applied for; U. S. manufacturing rights recently sold;

2. Pistol-grip flashlight with compass at bottom of butt; still under development in mock-up and patent applied for;

3. Mass-production chair at maybe $15, of postformed laminated phenolic plastic sheet or molded plywood and with integral pad-cover of sponge rubber on seat, back, arms;

4. Simpler, cheaper chair with similar materials and processes, at maybe $5;

5. Tiny pocket or purse ash tray of glass with sliding top of enamelled steel;

6. Scissors-action spoon-fork salad server now made by General Plastic Products and widely sold in Canada and South America;

7. Adjustable-toe sock dryer of plastic now widely marketed by General Plastic Products;

8. Educational toy "Peggy Porcupine" marketed by General Plastic to retail at $1;

9. Inexpensive inter-communication system for homes, offices, etc., made of plastic, expected to retail at $10 to $12 per two-room circuit and utilizing voice-energy static power instead of wired electricity (original in instrument design, not in transmission principle);

10. Shipping-merchandising-carrying-storing container of revolutionary type for live lobster, fish, etc., patent applied for.

Bersudsky says he hasn't yet given in and won't give in to "frequent temptation to manufacture or merchandise our designs." He intends to invest most of the resources and time of his enterprise in developing other products. His theory: "The artist-engineer-inventor who is an industrial designer must be skilled in merchandising in order to design saleable consumer products. But he need not and should not diffuse his energies in actual selling."

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COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

NIPISSING MINES CO. and its wholly owned subsidiary, Nipissing Mining Co., both showed small losses in 1947 but an improvement in liquid position is reported by sale of part of holdings in Consolidated Beattie Mines at 50 cents a share and by other adjustments.

A guarantee on the Cons. Beattie bank overdraft was changed to a $207,369 advance to Beattie and under the deal with the Angus interests, a total of 875,000 Consolidated Beattie shares were sold for $437,500.

Nipissing shareholders at the end of 1947 included 462,262 shares of Consolidated Beattie, 51,600 shares of Frobisher, 2,928 Giant Yellowknife, 230,000 Guayana Mines, 10,750 Eureka Corp., 14,600 Steep Rock, 267,871 Bevcourt and 158,400 Wekusko. Market value of these shares was $917,000 and the company also owned $1,046,875 market value of Dominion bonds.

A gas field with an area of at least 12 square miles has been established in an area of north-western Colorado in which Nipissing holds a 14% interest.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Divs. Nip. Mng. Co. ..	......	$10,000
Less: Admin. exp. ...	$3,619	2,654
Fees	2,688	5,137
Net loss & deficit	6,307	a2,209

aNet profit and surplus.

Earnings per Share ..	d$0.005	$0.002

None paid.

BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$31,033	$37,542
Stock Nip. Mng. Co.*	2,139,541	1,253,782
Total assets	2,170,574	1,291,324
Accts., etc., pay.	30,137	30,339
Capital stock*	2,139,541	1,253,782
Surplus	896	7,203

*After deducting $3,860,458 in 1947, $4,746,218 in 1946, excess of par value of shs. on Nipissing Mining Co. over book value of net assets.

NIPISSING MINING CO.
INCOME ACCOUNT

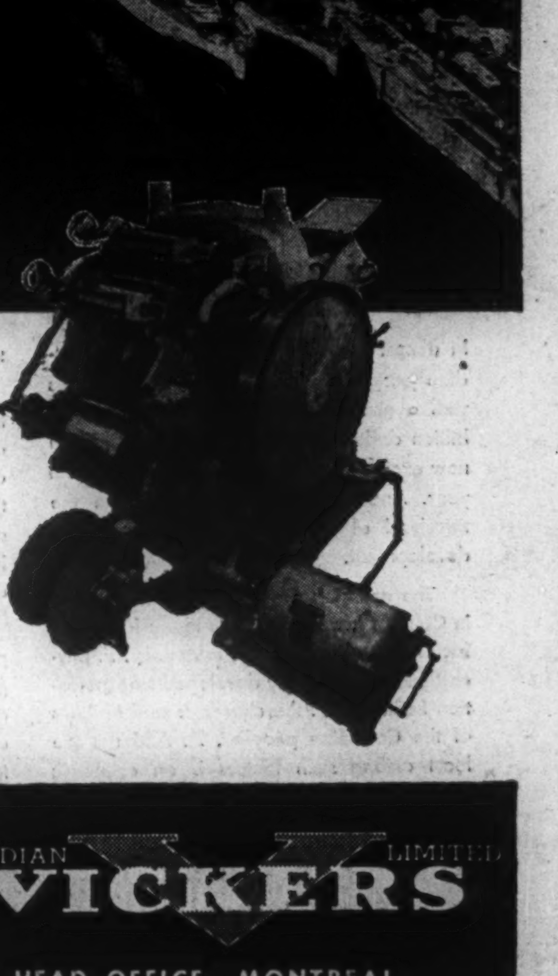
Years Ended Dec. 31:	1947	1946
Oper. loss	$34,819	$31,866
Less: Other income:		
Bond interest	16,592	35,736
Inv., etc., sold	28,791	32,844
Add: Outside exp.	23,955	33,868
Int. & exch. (net)	849	5,952
Net loss	14,240	3,106
Add: Divds. pd.	......	10,000
Deficit for year	14,240	13,106

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & ores	$28,666	$111,745
Accr. bond int.	9,375	5,625
Total curr. assets	38,041	117,370
Prep. exp.†	27	23
Picacho prop.	200,000	200,000
Govt. & ind. bds.	1,025,625	750,000
Investmentsa:		
Cons. Beattie shs.	467,214	904,280
Frobisher Explor.	73,920	73,920
Steep Rock Iron	1	1
Guayana Ms.	85,000	......
Eureka Corp.	13,437	......
Bevcourt G. M.	1	36,337
Giant Y'knife	14,985	14,637
Wekusko Cons.	20,888	20,888
Adv. Beatt. G. M.	207,369	......
Sund. shs. & adv.	162,098	200,884
Claims & props.	1	1
Total assets	2,308,607	2,318,341
Accts., etc., pay.	5,231	25
Conting. res.	150,000	150,000
Res. for taxes	13,834	14,534
Total curr. liab.	169,065	164,559
Special res.	......	900,000
Capital stock	250,000	250,000
Surplus	1,889,542	1,003,782
Deficit work. capital*	131,024	47,189

†Included in curr. assets in co's. report.
aCost less amts. w/o. *Not including invests.

DOMINION TEXTILE CO. has advised that the expiry date of its offer to common shareholders of Montreal Cottons to exchange their shares for common shares of Dominion Textiles one for one has been extended to June 16. To date, holders of 137,000 shares out of a total of 144,374 common shares of Montreal Cottons outstanding in the hands of shareholders other than Dominion Textile, have accepted the offer.



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Perhaps you have need of some special equipment or a special machine that will make your plant more efficient, save time, cut costs, lower overhead. If so, consult with us . . . tell us your need,—we'll design and build the answer.

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TORONTO

Maintain Sound Ideals Life Companies Urged

Competition in Group Insurance Increasing, President J. Gordon Beatty Tells Institute of Actuaries – Dividend Projections Bugbear

Life insurance companies should be careful to adhere to sound principles in all their underwriting practices, President J. Gordon Beatty told the American Institute of Actuaries at Chicago. Mr. Beatty, who is chief actuary of the Canada Life Assurance Co., also warned against the danger of broadening group insurance practices too much. Here is a digest of his address:

Competition in the group insurance field, always keen, is increasing, with entry of more companies into the field. Principles established a few years ago, and then considered fundamental, are not being observed today.

Subsequent experience may have proven some of these to be nonessential and . . . if we are not alert to furnish as much group coverage of all kinds as we safely can, the Government may step into our shoes. Nevertheless many people wonder if we are moving too far toward loose practice and it behooves us, when we consider departing from established practice, to be sure we are on sound ground.

In the underwriting field, it is also feared, that the companies may be forgetting the lessons of the inter-war period in the underwriting of large risks. We must not be misled by the experience of the last 10 or 15 years, into assuming that we can relax our vigilance in this connection. We must be on guard against undue liberality in all our underwriting, remembering there are more important things in the business than the writing of a large volume of new insurance. There is a danger of over-reaching ourselves, particularly in days of rising costs.

Merger of Societies

Merger of the Actuarial Society and the American Institute of Actuaries as now projected through co-ordination of effort should strengthen the whole actuarial branch of the business. We are facing a testing time in the world's history, possibly another depression, or another war. Whatever happens it will be a testing time for life insurance.

Our agency forces have been fully re-established after the war. This increases competition at a time when business may be becoming a little more difficult to secure.

Many of us have been in business long enough to appreciate the inherent dangers of such an over-all situation. Some people fear the life insurance business is not keeping in mind the lessons learned in the interval between the two wars.

Surrender Values

One example is the question of surrender values. In 1933 this Institute appointed a committee to study the question. In a statement to the Actuarial Society just at that time, it had been declared that the effects of the then current crisis might have been more serious had it not been that most of the insurance in force was of short duration. One of the committee's recommendations was that, at all maturities, a greater differential between reserves and cash values than existed at the time, or was permissible under the statutes was desirable. The Guertin Committee fought hard to give the necessary legal freedom of action and were largely successful. However when we actually got around to computing new surrender values, the lesson taught in the 30's was not reflected in the new tables to the extent many thought it should have been.

Bugbear of Dividends

Then there is the bugbear of dividends projections. Dividend figures quoted in 1928 compared with actual results over 20 years show why we have had so many complaints about dividends from policyholders. Reductions in dividend scales are still being made and may continue to be made, but some of us are still quoting right in our rate books, figures based on continuance of present dividend formulae over a 50-year period. Experience proves the most carefully worded protective clauses drafted by a company will not quiet the wrath of disgruntled policyholders, if actual experience does not live up to these projections.

It is also difficult to safeguard all quotations. This not only produces bad "public relations" but often leads the field man to base his sale on dividends instead of the fundamental need of life insurance and this does not make for a good sale.

Moreover by making reductions more embarrassing, it fosters the continuance of too liberal dividend scales and thus tends to destroy the safeguarding feature of participating insurance.

Many actuaries had been hoping that the change over to the new rate basis (in the United States) would allow the companies to throw off this millstone.

U. S. Premium Changed

The change in premium rates, surrender values and reserves in the United States resulting from the decline in interest earnings and the adoption of the Guertin laws in that country was an event of historical importance. Some of the rates changed in the United States had been in effect for over 50 years. It was a big job but not a complete one. Many are not yet satisfied with their settlement options, especially in view of mortality conditions. Interest rates have improved somewhat recently but the margin in interest earnings over requirements is very narrow compared with 20 years ago and what we would like it to be. However, these are times of rapid changes and disturbed conditions of which no one can foretell the result.

The actuary is primarily responsible for the safety of the insurance company and its contracts. Co-operation with the agency department is all important, the actuary should keep them advised of every move he intends to make which may affect the field man and his relations with the policyholders. But the fieldman should clearly understand the position and duty of the actuary. The actuary must also be alert to assist the agency man with his problems from a constructive standpoint.

REGINALD J. PERRY

has been elected director and secretary of Seven Up of Montreal Ltd., Seven Up Quebec Ltd., and Seven Up Ottawa Ltd.; and has been appointed manager of the three companies.

Life Sales Show Small Increase

Life insurance sales in Canada and Newfoundland in March totalled $104.6 millions, an increase of a little more than one half of one per cent from the same month of 1947.

The March rise follows one of 1.2% in February. January sales were 2.3% below January last year.

The figures, released by the Canadian Life Insurance Officers Association are for new ordinary life insurance, exclusive of dividend additions, increases, revivals, annuities etc.

The increase in the total was due to gains in British Columbia, Manitoba, Ontario, and Quebec; other areas showing declines.

Sales of New Ordinary Life Insurance In Canada and Newfoundland (000's of $)

Sales in March

	1948	1947
British Columbia	9,115	9,080
Alberta	5,732	6,262
Saskatchewan	3,019	3,090
Manitoba	6,085	5,672
Ontario	45,594	44,056
Quebec	28,749	28,563
New Brunswick	2,253	2,650
Nova Scotia	3,281	3,661
Prince Edward Island	318	335
Newfoundland	507	714
Total for Canada and Newfoundland	104,653	104,083

Sales by Months (000's of $)

	1948	1947
Jan.	99,037	101,411
Feb.	101,483	100,241
Mar.	104,653	104,083
Apr.	......	103,391
May	......	108,237
June	......	103,605
July	......	97,443
Aug.	......	82,111
Sept.	......	86,356
Oct.	......	102,600
Nov.	......	112,819
Dec.	......	101,081
	305,173	1,203,378

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

G. L. CLARKE, formerly an assistant inspector, head office, Toronto, to be manager, Guelph, Ont.

D. GRAY, formerly an assistant accountant, St. Catherine & Metcalfe, Montreal, to be manager, Lennoxville, Que.

J. A. R. SCHINCK, formerly manager, personal loan department, Montreal, to be manager, Magog, Que.

A. N. McKINLEY, formerly an assistant inspector in the department of superintendent of Quebec branches, Montreal, to be manager, North Bay, Ont.

A. T. ROY, formerly manager, Magog, Que., to be manager, Outremont, Que.

C. D. FYFE, formerly manager, Armstrong, B.C., to be manager of newly opened branch, Prince George, B.C.

Canadians Paid $1,431,925,757 In Income Tax, EPT, in 1945-46

Canadians paid a total of $1,431,925,757 in income tax and excess profits tax in 1945-46, the last fiscal year for which figures are available, with Ontario making up almost half the total. Figures by provinces follow:

	Income tax $	Excess profits tax $
Prince Ed. Island	3,117,412	902,864
Nova Scotia	36,178,175	13,490,704
New Brunswick	16,808,966	10,844,277
Quebec	258,468,521	151,002,358
Ontario	431,732,700	223,634,790
Manitoba	48,830,094	28,089,644
Saskatchewan	24,186,459	5,363,786
Alberta	37,679,168	14,597,651
British Columbia	91,342,307	46,046,530
Yukon Territory	565,452	222,879
Canada	937,729,274	494,196,483

Massey-Harris Buys U.S. Plant

Massey-Harris Co., Racine, Wis., subsidiary of Massey-Harris Co., Toronto, has purchased the Goble Disc Works, Fowler, Cal., manufacturer's of a complete line of heavy-duty off-set disc harrows, particularly adaptable to orchard and vineyard work and for tillage of irrigated land.

The new manufacturing facilities hold splendid opportunities for expansion of the company's activities in the United States market and in the export field, James S. Duncan, president, Massey-Harris Co. states. The new disc harrow lines will be available through the Massey-Harris world-wide dealer organization. Expanding markets, particularly in orchard and vineyard sections of France, Italy and South Africa, are anticipated.

The California plant contains approximately 70,000 sq. ft. of floor space, and is located on a 24-acre site providing ample space for future development. The plant is said modern and fitted with up-to-date equipment.

Staff Changes

The Bank of Toronto announces the following staff changes:

R. W. KEENLYSIDE, formerly manager, Bloor & Bay, Toronto, transferred to inspection department, head office.

H. A. DAYKIN, formerly manager, Yonge & Bedford Park, Toronto, to be manager, Bloor & Bay, Toronto.

A. MACKAY, formerly manager, St. Marys, Ont., to be manager, Owen Sound, Ont.

H. B. NEWTON, formerly manager, Oil Springs, Ont., to be manager, St. Marys, Ont.

A. H. A. PADGHAM, formerly manager, Bethany, Ont., to be manager, Oil Springs, Ont.

J. K. HAMILTON, formerly accountant, Trenton, Ont., to be manager, Bethany, Ont.

D. E. MORGAN, formerly manager, Aberdeen & Dundurn, Hamilton, transferred to inspection department, head office.

W. W. WRIGHT, formerly manager, Portage Ave., Winnipeg, to be manager, Aberdeen & Dundurn, Hamilton.

N. G. HENDERSON, formerly of supervisors department at head office, to be manager, Portage Ave., Winnipeg.

W. J. STRATHDEE, formerly manager, Van Horne Ave., Montreal, transferred to supervisors department at head office.

J. E. BOYLE, formerly manager, Val d'Or, Que., to be manager, Van Horne Ave., Montreal.

C. L. THOMPSON, formerly manager, Neilburg, Sask., to be manager, Hodgeville, Sask.

F. J. GOLDSMITH, formerly attached to the staff of the western department in Winnipeg, appointed manager, St. Boniface, Man.

P. ROWE, formerly of Windsor, Ont., staff, to be accountant, Elmvale, Ont.

R. J. PLASKETT, formerly assistant accountant, 305 Yonge St., Toronto, to be accountant, Yonge St. & Belsize Drive, Toronto.

S. M. FEARN, formerly of Bloor & Bay Sts., Toronto, staff, to be accountant, Bloor and Royal York Road, Toronto.

G. R. TUCKER, manager, St. Boniface, Man., retires.

SINGLENESS OF PURPOSE

Fundamentally speaking, our first purpose in business is to co-operate with our clients in preventing loss.

However, if a loss does occur, it is our duty to see that adequate and intelligent insurance protection is provided.

We also see to it that such losses are settled promptly.

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BILLS OF LADING PROTECTION IS LIMITED

MOST firms that ship goods eventually learn that the protection against loss afforded by a Bill of Lading is limited. It does not reimburse for losses resulting from "Acts of God" such as floods, washouts or fire caused by lightning.

Frequently a Bill of Lading does not even cover the full value of the goods; nor does it always protect against loss once goods are warehoused en route.

To protect themselves against such losses many firms now insure their shipments by Special Policies issued by the "North America" Companies. These policies may cover specific perils or be on an "all-risk" basis.

The "North America" Companies maintain an advisory service to assist policyholders in improving shipping packages or containers. Such improvements reduce both losses and premiums.

Your Insurance Agent or Broker will get you particulars of these Special Policies and of "North America" Companies' advisory service.

Business accepted solely through Agents and Brokers

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THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA
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INSURANCE — A VITAL FORCE IN CANADIAN ENTERPRISE

INSURANCE IN MANUFACTURING

In almost 30,000 establishments, the Canadian people produced manufactured goods with a gross value of eight and a quarter billion dollars in 1945 — present production now exceeds that of any previous peacetime year. And to-day Canada stands on the threshold of a new era in manufacturing development.

The amazing progress of manufacturing in Canada has been due to many favorable factors . . . abundant raw materials . . . low-cost power . . . highly developed transportation facilities . . . the character and abilities of the Canadian people . . . And not the least among such factors is an economic structure which has the stability to withstand strain and the flexibility to permit progress.

The great insurance companies operating in Canada constitute a vital force in Canadian enterprise. It is their role to add strength and stability to the economic structure . . . thereby inspiring confidence in the Canadian manufacturing industries and providing a sound basis for their progress and development.

The Union Insurance Society of Canton performs a function essential to Canada's growth. By absorbing the shocks and stresses of an expanding economy through its various plans of insurance, the "Union of Canton" makes an important contribution to the advancement of Canadian Enterprise.

UNION INSURANCE SOCIETY OF CANTON LIMITED

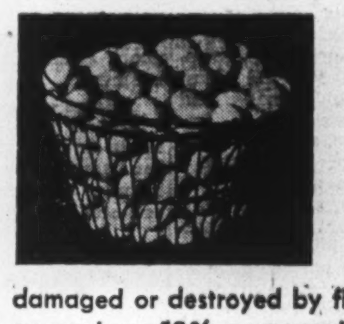
Head Office For Canada: Metropolitan Bldg., Toronto • Colin E. Sword, Manager for Canada

COMPANIES OF THE "UNION OF CANTON" GROUP
BRITISH TRADERS INSURANCE COMPANY LIMITED • THE BRITISH OAK INSURANCE COMPANY LIMITED
BEAVER FIRE INSURANCE COMPANY
Also under same management in Canada: THE SOUTH BRITISH INSURANCE COMPANY LIMITED

84C

THE BRITISH AMERICA ASSURANCE COMPANY
Incorporated in Upper Canada 1833
FIRE, MARINE, AUTOMOBILE, CASUALTY AND AVIATION INSURANCE

Eggs at 10 Cents a Dozen



"Believe it or not" there was a time when eggs sold for 10 cents a dozen. And there was a time when building costs were much lower than at present.

Insurance based on those costs would fall far short of the amount required to replace property damaged or destroyed by fire. Building costs have increased as much as 50% or more during the past 10 years.

Underinsurance is false economy.

FINANCIAL POSITION DECEMBER 31, 1947

Assets $11,259,895

Liabilities to the Public $6,936,325

Capital $750,000

Surplus above Capital $3,573,570

Losses paid since organization $92,596,684

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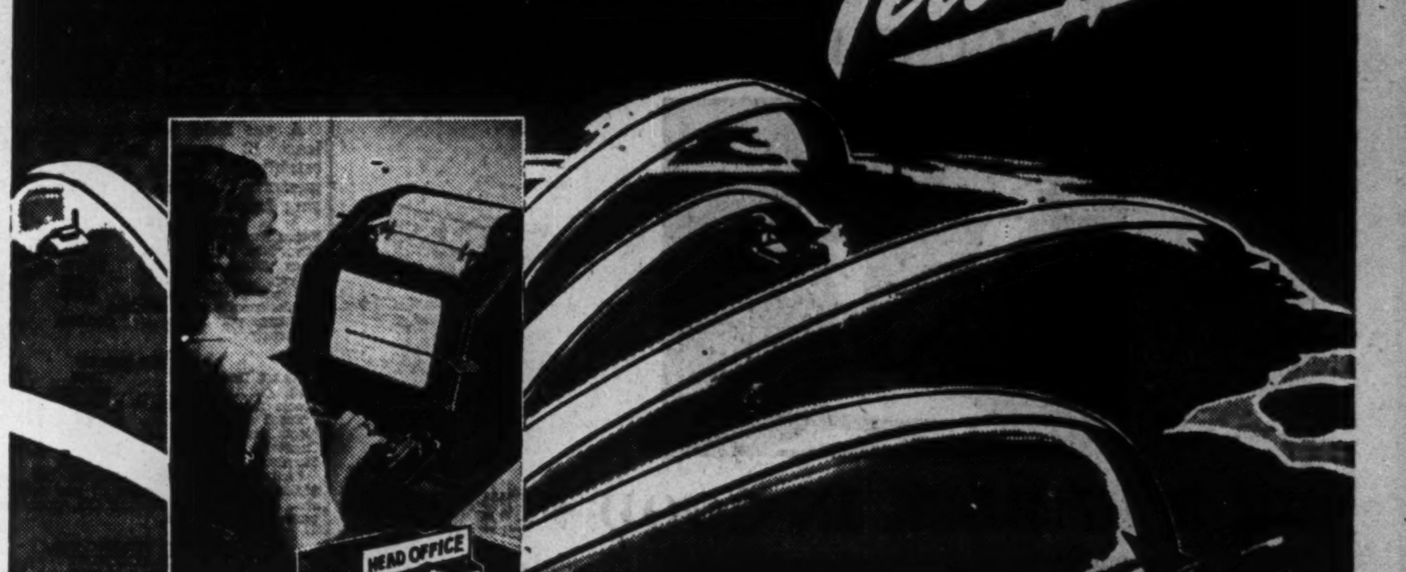

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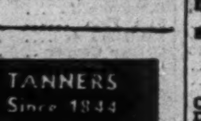

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Savings Deposits Near $4 Billions Business Borrowings at Banks Lower

Loans by the chartered banks to the business public showed a moderate decline in March, the regular monthly statement of the banks to the Finance Minister reveals. The decline in part reflects the more conservative attitude of the banks regarding long term loans for expansion of industrial plants and equipment, in harmony with government policy. (The Financial Post, April 10.)

It is stated also that the trade restrictions themselves apart from any other factor had tended to curtail bank borrowing, where purchases of goods requiring payment in U. S. dollars are concerned.

Canadian call loans likewise were lower, due to quiet stock markets, while provincial borrowings also were down. Municipal borrowing, however was higher probably in anticipation of tax payments.

Contrary to expectations in some quarters, savings deposits in March rose to a new high at $3.9 billions, within $73 millions of the $4 billion mark. The high level of employment and wages continues to be the important factor in this item, avenues for spending also still being restricted in some ways. Demand deposits also were up, the result being that total public deposits set a new record high at $6,127 millions. The previous high was $6,036 millions.

In some quarters, it is stated, demand deposits have subsequently declined, as due to the lower level of loans, many firms have had to use their own money to finance operations. Dominion Government deposits were lower for the month and for the year, but provincial government deposits were higher in both comparisons, the decline in provincial government loans and the increase in deposits indicating receipts of tax or subsidy money.

Foreign business of the banks showed higher call loans with current loans down and deposits slightly higher.

Investments of the banks were up almost $68 millions. Some months ago, the proportion of loans to total assets had been tending upward with the proportion of investments tending down, thus restoring in part the normal prewar relationship. The process now seems to have been stopped for the time being.

Important items in the statement with comparisons follow.

Use of Bank Credit in Canada
(In Millions of Dollars)

	March 1948	Feb. 1948	Change	March 1947	Change
Loans	1,986.3	2,002.8	—16.5	1,676.2	+310.1
Investments	4,036.1	3,968.3	+67.8	4,239.1	—203.0
Total	6,022.4	5,971.1	+51.3	5,915.3	+107.1
Deposits	6,127.3	5,985.9	+141.4	5,615.0	+512.3
Credit index*	32.4%	33.6%	—1.2%	29.9%	+2.5%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS
Immediately Available Liquid Assets
(In Thousands of Dollars)

	March 1948	Feb. 1948	Change	March 1947	Change
Canadian coin	11,427	11,305	+122	11,545	—118
Bank of Canada notes	166,853	135,770	+31,083	147,284	+19,569
Bank of Canada deposits	519,207	531,759	—12,552	536,263	—17,056
Bank's cash	697,487	678,834	+18,653	695,092	+2,395
Gold sub. coin abd.	3,104	3,095	+9	2,734	+370
Foreign currency	100,294	102,691	—2,397	99,709	+585
Foreign banks	178,039	189,155	—11,116	238,058	—60,019
Call loans abroad	76,227	72,800	+3,427	83,535	—7,308
Government securities:					
Dom. short term	734,444	711,102	+23,342	1,022,638	—288,194
Prov. short term	100,204	108,678	—8,474	125,430	—25,226
Dom. long term	2,053,355	2,026,111	+27,244	2,180,242	—127,887
Prov. long term	345,526	345,603	—77	248,354	+97,172
	4,288,680	4,238,069	+50,611	4,695,792	—407,112
Loans and Securities Other Than Those of Canadian Governments					
Municipal secs.	132,715	132,836	—121	170,269	—37,554
Public secs.‡	260,007	263,549	—3,542	260,110	—103
Other secs.	409,914	380,470	+29,444	232,106	+177,808
Can. call loans	64,658	69,990	—5,332	120,797	—56,139
Current loans	1,844,271	1,860,934	—16,663	1,506,987	+337,284
Loans abroad	221,790	223,691	—1,901	187,687	+34,103
Prov. loans	19,720	26,221	—6,501	6,583	+13,137
Mun. loans	57,729	45,737	+11,992	41,852	+15,877
	3,010,804	3,003,428	+7,376	2,526,391	+484,413
Other Assets					
Noncurrent loans	1,423	1,334	+89	934	+489
Real estate	597	597	.....	790	—193
Mortgages	1,083	1,108	—25	1,578	—495
Premises	71,944	71,288	+656	65,752	+6,192
Letters of Credit	207,065	207,036	+29	220,703	—13,638
Loans to comp.	11,513	11,466	+47	11,085	+428
Other assets	6,657	6,932	—275	5,755	+902
	300,282	299,751	+531	306,597	—6,315
Total	7,599,766	7,541,248	+58,518	7,528,780	+70,986
Note in circ. dep.	1,111	1,111	.....	1,336	—225
Int. bank bal.	347,848	232,714	+115,134	268,596	+79,252
Gross	7,948,725	7,775,073	+173,652	7,798,712	+150,013

LIABILITIES
To the Public

	March 1948	Feb. 1948	Change	March 1947	Change
Circulation	17,662	17,818	—156	20,681	—3,019
Dom. Govt.	126,446	132,917	—6,471	435,626	—309,180
Prov. Govt.	145,295	107,654	+37,641	137,324	+7,971
Deposits by Public					
Demand dep.	2,200,642	2,105,426	+95,216	1,995,714	+204,928
Savings dep.	3,926,684	3,880,548	+46,136	3,619,323	+307,361
Total	6,127,326	5,985,974	+141,352	5,615,037	+512,289
Foreign Deposits					
Dep. elsewhere	722,405	723,157	—752	797,345	—74,940
For. curr. in Canada	79,554	78,053	+1,501	88,007	—8,453
Total	801,959	801,210	+749	885,352	—83,393
Due to Banks Abroad					
United Kingdom	44,762	40,670	+4,092	30,651	+14,111
Foreign	103,856	113,152	—9,296	95,576	+8,280
Letters of Credit	207,065	207,036	+29	220,703	—13,638
Other liab.	4,965	4,804	+161	2,571	+2,394
Total public liab.	7,579,336	7,411,235	+168,101	7,443,522	+135,814
Due other banks	27,873	21,686	+6,187	21,000	+6,873
Liability to Shareholders					
Dividends	1,544	2,180	—636	1,518	+26
Reserve	181,750	181,750	.....	176,750	+5,000
Capital stock	145,500	145,500	.....	145,500	.....
Gross	7,936,003	7,762,351	+173,652	7,788,290	+147,713

‡Other than Canadian.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CHESTERVILLE MINES experienced a drop in operating profits of nearly $80,000 to $221,829 in 1947 but depreciation charges were much lower and net profit was $34,007 or 2 cents a share, only slightly lower than in the preceding year. A 31% increase was recorded in tonnage of ore milled while tonnage of ore in reserve was increased by over 45% during the year.

Working capital was $7,000 lower at $484,616 after payment of $86,778 in dividends.

Despite increase in costs, operating cost per ton only increased from $3.23 to $3.29.

Work during the year was carried out principally on the 12th, 13th, 15th and 17th levels and is stated to have been sufficiently extensive to show their similarity to the upper levels and to prove continuity of ore-bearing structures.

During 1948 it is planned to complete the shaft to the 20th level at 2,865 ft. It is expected that the main crosscuts at the 18th, 19th and 20th levels will be well advanced by the end of this year.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Bullion production	$1,194,839	$1,029,230
Less: Expenses	973,010	729,051
Oper. profit	221,829	300,179
Add: Other income	3,034	6,167
Net earnings	224,863	306,346
Less: Deprec.	81,489	160,597
Def. devel. w/o	106,808	101,619
Income tax	2,559	......
Net profit	34,007	44,130
Less: Divd.	86,778	......
Deficit for year	52,771	e44,130
eSurplus.		
Earned per Share	$0.020	$0.026
Paid	0.05	......

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$394,147	$182,140
Dom. Govt. bonds	36,260	192,250
Accts. rec.	5,268	62,270
Stores	129,383	122,816
Total curr. assets	564,968	559,476
Prep. & def. chgs.	32,303	7,256
Def. development	334,847	337,332
Inv. Kearns Prop.	5,001	10,436
Claims & props.	864,236	864,236
Plant & equip.a	190,673	234,790
Total assets	1,992,030	2,013,646
Accts., tax., etc., pay.	77,690	66,573
Other curr. liab.	2,492	971
Total curr. liab.	80,282	67,544
Capital stock	1,650,190	1,650,190
Capital surplus	84,961	76,618
Earned surplus	166,517	219,288
aAfter depr. of	911,673	830,254
Working capital	484,616	491,932

OPERATING STATISTICS

	1947	1946
Tons milled	295,408	225,458
Average recov.	$4.04	$4.57
Ore reserves, tons	†1,492,300	1,013,700
Grade ($35 gold)	$4.76	$4.97

†In addition, there were 240,000 tons of possible ore.

C. G. HEWARD, K.C.,

elected batonnier of the Montreal Bar. His directorships include Bank of Montreal.

Staff Changes

The Bank of Montreal announces the following staff changes:

F. S. HARRISON, assistant superintendent of Alberta districts, to be assistant superintendent, Quebec & Maritime districts and Newfoundland branches, with headquarters at head office.

G. A. R. HART, formerly secretary to president at head office, to be assistant superintendent of Alberta district with headquarters in Calgary.

E. D. MOORE, accountant, Pembroke, to be manager, Deep River.

C0 W. McMARTIN, assistant manager, West End branch, Montreal, to be assistant manager, Halifax.

C. G. A. KIRSHAW, manager, Selkirk, to be manager, Victoria Ave. & Albert St., Regina.

N. G. DOUGLAS, accountant, Carberry, Man., to be manager, Schreiber, Ont.

R. M. MILLS, manager, Whitewood, Sask., to be manager, Selkirk, Man.

• • •

The Royal Bank of Canada announces the following staff changes:

F. A. R. JAMES, manager, Douglas St., Victoria, to be manager, Hastings and Homer Sts., Vancouver.

E. A. McLELLAN, supervisor's department, Vancouver, to be manager, Marpole, Vancouver.

A. D. PYNN, manager, Annapolis Royal, N.S., to be manager, Port Hawkesbury, N.S.

T. B. KEYES, accountant, Halifax, to be manager, Mountain Rd., Moncton, N.B.

P. J. PASSLER, manager, Lipton, Sask., to be manager, Carrot River, Sask.

W. E. BOLTON, Moncton, N.B., to be accountant, Mountain Rd., Moncton, N.B.

B. R. HENRY, Kincardine, Ont., to be accountant, Harriston, Ont.

R. S. SCOTT, Tramways Terminal, Montreal, A. K. ZAPFE, Harbord and Spadina, Toronto, retire.

INTERNATIONAL URANIUM MINING CO. is opening third level east drift on its Contact Lake, N.W.T., property.

NEGUS MINES has developed an ore length of 550 ft. grading $17.15 across an average width of 6.4 ft. since first encountering Campbell zone on the 1,775-ft. level in February. It is expected that millheads, when stope preparation is completed, will approximate $21 a ton. Developing south of this area an ore body 100 ft. long, 4.6 ft. wide, averaging over an ounce with free gold showing in the face, has been indicated.

BANK OF CANADA

	May 5 $ 1948	Apr. 28 $ 1948
Capital paid-up	5,000,000	5,000,000
Rest fund	10,080,367	10,080,367
Notes in circ.	1,188,398,870	1,186,339,172
Deposits: Dom.	61,914,337	64,435,937
Chart. banks	573,046,645	557,797,987
Other	117,891,049	82,507,002
Total deposits	752,852,031	704,740,926
Liabs. payable in sterling, U.S.A. and for'n. gold currencies:		
Deposits	483,391	183,391
All other liabs.	19,702,391	8,417,415
Total liabs.	1,976,487,080	1,909,631,471
Assets		
Sterling & for'n. exchange	483,391	183,391
Other currences.	115,272	147,964
Total	598,663	331,355
Subsid. coin	213,460	208,634
Investments:		
Dom. govt. sh.	1,138,665,432	1,069,862,734
Oth. Dom. gov.	767,788,452	783,810,107
Total invest.	1,906,453,881	1,853,672,841
Ind. dev. bank		
Total share cap. at cost	25,000,000	25,000,000
Premises	2,409,862	2,402,862
All other assets	41,810,904	26,008,519
Total assets	1,976,487,080	1,909,631,471

Zellers Ltd. Buys Victoria Property

From Our Own Correspondent

VANCOUVER — Zellers Ltd., large Canadian store chain, has purchased a $400,000 site in the main section of Victoria and plans to establish a "junior department store" there.

This is the second site that this company has acquired in B. C. Several years ago a site was purchased on Hastings St., Vancouver, but it has not been utilized.

The Victoria property includes the Belmont Block and the Royal Dairy on Douglas Street, and has a 232-foot frontage.

Foster Wheeler Ships Big Unit to Venezuela

ST. CATHARINES—Indicative of growing importance of this community in the industrial export field, a 200-ton oil fired steam generating unit designed, engineered and built by Foster Wheeler Ltd., has been shipped to Venezuela for installation there as part of a big steam-electric plant. Assembled on eight railway gondola cars, the unit went to New York to be put aboard a freighter for Maracaibo. The unit took three months to build, is being paid for in American funds, is one of several similar major export jobs scheduled for completion this

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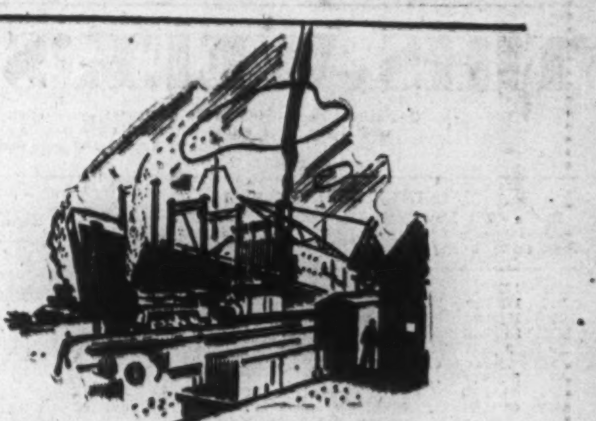

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Position of Chartered Banks of Canada as of March 31, 1948, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada Secured $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits in Canada in currencies other than Canadian $	Deposits Elsewhere $	Bal. due to other Banks in Canada $	Due to banks in U.K. $	Due to Banks Elsewhere $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	4,548,173	48,676,265	32,326,365	....	563,738,080	947,301,359	12,779,085	125,443,589	2,855,776	14,684,003	27,775,321	37,466,602	534,448	40,382	44,000,000	36,000,000	1,886,169,953
Nova Scotia	1,610,006	12,796,910	3,686,148	....	165,912,069	336,599,634	4,740,769	109,964,636	4,872,916	2,517,770	6,197,755	30,558,206	727,810	368,330	24,000,000	12,000,000	716,549,964
Toronto	646,701	6,405,072	4,089,752	....	111,544,537	237,846,577	1,260,198	....	287,026	3,506,151	1,427,580	4,991,950	35,555	7,785	14,000,000	6,000,000	392,048,880
Provincial	331,558	1,896,138	924,819	....	26,951,972	110,589,860	179,030	....	1,142,987	830	52,238	3,456,007	17,106	10,770	2,000,000	4,000,000	151,553,321
Commerce	3,699,957	17,647,888	30,949,042	....	415,311,434	741,125,164	7,386,298	98,589,264	2,838,941	6,793,648	11,213,383	47,747,634	656,407	632,593	30,000,000	30,000,000	1,444,591,654
Royal	4,587,100	16,744,211	36,653,759	....	571,269,309	837,952,369	42,798,453	378,126,039	170	7,871,492	49,968,951	70,284,438	2,511,960	108,986	40,000,000	35,000,000	2,093,977,242
Dominion	653,324	10,971,837	2,037,398	....	130,649,207	194,086,442	5,548,739	10,281,902	5,612,054	1,322,564	1,514,817	10,104,363	215,698	177,548	10,000,000	7,000,000	391,175,902
Nationale	658,647	4,493,920	5,481,562	....	86,131,767	277,443,440	760,109	....	4,859,406	75,481	1,300,523	2,195,088	51,625	21,891	7,000,000	7,000,000	397,473,463
Imperial	848,717	5,146,321	29,130,041	....	121,314,712	238,078,409	1,597,944	....	5,042,605	3,259,766	3,179,314	9,163,815	192,255	178,269	10,000,000	7,000,000	430,129,175
Barclays	80,995	3,667,060	16,416	....	7,818,939	8,660,334	2,503,375	....	361,360	4,729,891	1,255,806	996,762	22,546	....	750,000	1,500,000	32,333,290
Total	17,662,183	126,445,817	145,295,302	....	2,200,642,026	3,926,683,588	79,554,000	722,406,430	27,873,241	44,761,596	103,855,688	207,064,865	4,965,206	1,844,055	181,730,000	145,500,000	7,936,003,853

†And loans for which they are guarantors.

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized $	Capital Subscribed $	Last Dividend %	†Loans to Directors and firms of which they are partners $	Greatest Amount of Notes in Circ. $	Bills rediscounted with Bank of Canada $
Montreal	50,000,000	36,000,000	8	463,533	4,537,348	....
Nova Scotia	15,000,000	12,000,000	12*	*3,979,723	1,039,260	....
Toronto	10,000,000	6,000,000	12	417,196	651,776	....
Provincial	5,000,000	4,000,000	6	31,275	335,838	....
Commerce	50,000,000	30,000,000	8	772,637	3,740,136	....
Royal	50,000,000	35,000,000	10	1,402,546	4,614,526	....
Dominion	10,000,000	7,000,000	10	138,016	660,994	....
Nationale	10,000,000	7,000,000	8	143,218	664,122	....
Imperial	10,000,000	7,000,000	10	596,982	882,772	....
Barclays	1,500,000	1,500,000	....	....	82,335	....
Total	211,500,000	145,500,000	....	6,945,098	17,819,116	....

*Plus extra distribution of 20 cents per share

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada $	Gold and Subsidiary Coin held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes and Cheques on Other Banks $	Govt. and Bank Notes other than Canadian $	Balances due by other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Dom. Gov. Short Term Sec. $	Dom. Gov. Long Term Sec. $	Prov. Gov. Short Term Sec. $	Prov. Gov. Long Term Sec. $	Canadian municipal securities $	Public Securities other than Canadian $
Montreal*	2,671,089	53,414	40,859,150	113,409,298	97,706,725	1,052,424	1,254	5,178,868	26,596,604	180,044,517	556,982,688	39,858,389	103,231,037	30,551,461	66,539,026
Nova Scotia	870,817	1,005,865	15,877,732	30,933,783	30,404,971	21,236,103	....	551,567	14,671,936	81,526,795	153,132,345	5,260,131	14,990,662	7,429,107	13,663,732
Toronto	590,230	....	6,108,743	26,320,226	18,382,977	373,791	....	1,532,702	5,869,458	41,635,429	120,488,476	2,722,753	16,453,359	6,578,695	....
Provincial	559,037	....	4,357,340	10,342,032	6,594,175	98,857	....	....	1,590,251	19,331,109	27,879,295	2,144,205	20,381,233	6,368,947	....
Commerce†	1,601,217	174,797	26,447,572	118,003,720	46,024,381	1,745,094	1,266	2,370,436	27,129,146	101,750,682	454,036,974	16,217,663	51,112,289	21,256,550	48,945,854
Royal‡	2,640,534	1,869,554	39,101,420	114,297,028	86,426,808	74,590,457	16,516	12,494,236	61,509,553	155,887,666	493,401,010	25,713,012	81,665,433	32,583,076	124,036,126
Dominion	369,612	451	6,888,330	64,564,919	17,452,886	369,350	742	1,340,449	6,739,075	53,710,429	75,439,704	643,074	4,890,717	6,535,796	3,238,422
Nationale	1,156,013	....	14,060,296	26,159,178	16,630,494	405,320	1,931,207	100,073	2,128,743	50,693,084	68,312,388	3,301,411	41,053,933	14,247,679	605,421
Imperial	763,800	....	10,848,618	22,932,971	22,460,188	364,647	752,187	919,287	5,061,618	45,857,292	104,514,944	2,446,008	5,659,632	6,102,707	....
Barclays	4,763	....	294,988	2,242,487	938,325	7,814	92,577	864,583	1,390,137	4,037,388	4,167,279	1,897,057	6,086,722	1,061,449	2,979,964
Total	11,427,361	3,104,181	166,853,188	519,206,742	345,052,715	100,293,871	2,795,749	25,352,001	152,686,521	734,444,358	2,053,355,103	100,203,698	345,526,017	132,715,457	260,006,545

NAME OF BANK	Other bonds and stocks $	Call and short loans in Canada $	Call and short loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $	eReal estate other than Bank premises $	Bank Premises $	Deposit of note circulation $	Other assets $	ΔTotal Assets $
Montreal*	125,882,285	11,546,99	21,300,172	372,360,734	26,601,059	4,866,202	13,570,363	586,005	363,658	14,150,507	272,138	3,537,976	1,887,249,134
Nova Scotia	25,474,061	7,574,456	13,645,510	191,832,151	40,560,018	3,265,494	4,378,996	56,068	9,368	6,775,036	108,351	2,715,123	718,560,321
Toronto	18,296,070	4,482,632	....	108,614,526	....	....	2,809,019	22,142	8,424	4,299,311	37,262	194,873	392,812,887
Provincial	5,216,703	4,504,573	....	32,931,670	....	42,648	4,182,305	13,560	129,267	1,607,764	22,121	141,337	151,901,458
Commerce†	65,769,295	12,263,222	5,420,337	331,525,663	38,074,282	2,885,011	9,898,378	360,227	390,708	15,578,434	250,000	4,173,025	1,447,152,145
Royal‡	132,771,412	18,116,132	30,061,757	399,073,539	114,973,878	2,481,796	7,917,004	278,294	332,086	11,074,360	285,000	6,478,145	2,097,451,488
Dominion	9,203,386	2,948,115	5,799,148	122,183,549	1,575,700	....	1,470,160	15,761	25,246	5,626,028	40,688	408,303	391,963,315
Nationale	14,274,734	2,984,524	....	126,879,717	....	....	9,438,899	16,172	410,641	5,464,804	39,901	441,371	397,931,993
Imperial	12,775,617	4,958,463	....	165,500,848	....	178,289	2,875,658	68,883	....	6,082,719	50,077	72,328	431,410,841
Barclays	250,000	278,550	....	3,269,586	....	....	180,600	520	....	1,275,911	5,663	14,308	32,446,479
Total	409,913,563	64,657,858	76,226,924	1,844,271,478	221,789,987	19,719,922	57,728,709	1,422,641	1,660,398	71,943,874	1,111,201	18,169,992	7,948,724,091

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

eIncludes mortgages.

ΔIncludes $207,064,865 letters of credit outstanding as shown in liabilities.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement.—Footnote to The Royal Bank of Canada Return.

THIS WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

WEEK ENDING MAY 7

Mining Stocks

Week Ended May 7

Range 1948 High	Low	Div. May 7 Rate Yield	Company	Sales	Last Apr. 30	Week Ending May 7 High	Low	Close
.34	.23	.....	Sunset	6,000	.09	.09	.09	.09
.50	.20	.....	Superior	20,500	.32	.33	.31	.31
.15½	.09	.....	Turner V.	1,600	.45	.50	.37	.37
.19	.12	.....	United Oils	6,500	.11	.10	.09½	.10
.35	.20	.....	Vanalta	3,100	.15	.16½	.15	.16½
.08	.05	.....	Vulcan	1,220	.25	.25	.22	.22
.10	.03½	.....	Warner	2,325	.07	.08	.06	.08
		.....	York Oils	1,000	.06½	.06½	.06½	.06½

* N. Y. Funds. x Extra. ‡ Paid in 1946. § Paid in 1947. ‡ Capital Repayment. † Paid of payable in 1948. ♦ Dividend deferred.

Oil Stocks

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
May 10 ...	242,400	*710,000	122,155	74,640	1,890,000
May 8 ...	195,100	447,000	30,965	21,420	830,000
May 7 ...	428,000	1,087,000	......	......	2,040,000
May 6 ...	251,500	938,000	71,170	63,607	1,550,000
May 5 ...	243,200	961,000	129,235	64,206	1,480,000
May 4 ...	246,900	941,000	92,640	980,000	1,780,000

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	May 7 Bid	Ask
Langleys	..	1.40	1.00	2.00
Legare, pref.	†2.00	25	20½	..
Levy Bros.	†.10	4½	4½	..
Lewis	1.00	16	14½	15½
Lindsay C.W. pfd.	♦4.00	110	110	..
Lond. Can. Inv.	†4.25	91	50	..
Lon. Hose	†.35+.15	6	5½	6½
do 'A'	.80	12½	12	12½
Mackin Steel	..	8	7	9

Dividends Declared

Company	This payment	Date payable	Date of record
Wilsil Ltd.	1.12½	Jun. 1	May 14
Winnipeg Elec.	.25	Jul. 2	Jun. 2
Do. 5% pfd.	.50	Jun. 30	May 14
Woods Mfg.	1.25	Jun. 30	May 14
Wool Combing	.50	Jun. 30	May 31
	.40	Jul. 10	Jun. 25

†N. Y. funds. *Initial. §For each 20 shs. held. ¤Subject to approval FECB. ▲After 5-for-1 stk. split. ♦Initial div. for per. Mar. 8–Jun. 1. ‡After 2-for-1 stk. split.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporations and Foreign Securities.

MUNICIPAL

Village of Brownsburgh, Que.—3% and 3½% debentures, due Dec. 31, 1948-62, $40,000 issued Apr. 26, 1948. Sold at $98.67 to Geoffrion, Robert & Gelinas Inc.

Village of Delhi, Ont.—3¼% and 3½% 1-20 year debentures, $420,000 issued Apr. 29, 1948. Sold at $100.05 to Bell, Gouinlock & Co. Ltd.

City of Fort William, Ont.—3¼% debentures, due May 1, 1949-73, $420,834, issued Apr. 29, 1948. Sold at $100.123 to Midland Securities Ltd., Anderson & Co. and Cochran, Murray & Co. Ltd.

Town of Newmarket, Ont.—3% debentures, due 1949-63, $31,500, issued Apr. 28, 1948. Sold at $100 to Imperial Bank.

Village of Port Perry, Ont.—3% debentures, 1-29 years, $65,000, issued May 1, 1948. Sold at $98.536 to Fairclough & Co.

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
▲Dom. Coal 1st mtge. ser. & ser. 1939	4½%	1952	Jun. 1	101
‡Lake St. John Pr. 1st mtg. ser. A	5½%	1961	Jul. 1	103
♦Metropolitan Bldg. 1st mtge. s. f.	5%	1952	May 15	100.75
‡Moirs 1st mtge.	6%	1953	Jul. 1	100

‡All outstanding. ♦$50,000. ▲$442,000.

Stocks Not Traded This Week (Continued)

	Div. rate	Last sale	Bid	Ask
B. R. X. Can.	..			
Bunker Hill	..	.07	.06	.07
Cartier Malartic	..	.05½	.03½	.05½
Celta Devel.	..	.03	.03	.03½
Cuyuni	..	.06	.06	

OIL STOCKS

	Div. rate	Last sale	Bid	Ask
Advance	..	.03		
Arrow	..	.10	..	..
Federated P.	..	.35	..	..
Marvel	..	.01½	..	.45
Merland	..	.04	.01½	.01½
Mill City	..	.12	..	..
New Valley	..	.03½	.10	.12½
Petrol Oil	..	.12	..	..
Richland	..	.04	.12	.25
Royal Crest	..	.05	..	..
Three Point	..	.05	.03	.05
Texas Can.	..	1.35	.05	..
Vul. Brown	..	.14	1.35	..
Wellington	..	.07	.14	.14½
			.06½	.07

†Paid or payable in 1948. §Paid in 1947. ‡Paid in 1946. ♦Dividend deferred. *N.Y. Funds.

Mining Stocks

Company Meetings

1948	Company	Place
May 14	Dulama Gold	Toronto
May 14	Kelwren Gold	Toronto
May 15	Can. Crushed Stone	Hamilton
May 17	Teck-Hughes Gold	Toronto
May 17	Zeller's	Montreal
May 18	Richmond Bldg.	Toronto
May 18	Viceroy Mfg.	Toronto
May 19	Buffalo Ankerite	So. Porc., Ont.
May 19	Candn. Canners	Hamilton
May 20	Canada Machinery	Galt
May 26	Nipissing Mines	Toronto
May 31	Jason Mines	Toronto
May 31	Montreal Isl. Pwr.	Montreal

Unlisted Mines

(Subject to Confirmation and Change) April 30, 1948

	Bid	Ask
[illegible]	[illegible]	[illegible]

Municipal Bonds

May 11, 1948

	Coup.	Matur.	Bid	Ask.	Yld.
Victoria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vancouver	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Calgary	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Edmonton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Moose Jaw	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winnipeg	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Windsor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saint John	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Market Comment

What stocks and bonds are doing and what prominent observers say.

The market's reaction to Molotov's olive branch was generally favorable. At early midweek the Dow-Jones industrial average was crowding hard on the previous 1948 high and giving every indication of making a fresh try at penetration of the 1947 resistance point of 186.85.

At the same time, some easing in base metals and aircraft stocks was discernible. Any sizeable lessening in international tension would likely take some steam out of the military preparedness program in the United States — might even cause some last-minute revision of previous expenditure estimates. It might, for instance, bring postponement of Washington's program for early stockpiling of strategic metals. Many experts on foreign relations, however, were maintaining a sceptical attitude on Moscow's surprising "about-turn."

Best action of the week on Canadian exchanges came in the paper group, assorted industrials and western oils. Continued high level of earnings for pulp and paper companies, with possibilities of even higher dividend payments, in some cases brought new buying strength into this group.

* * *

A. A. McLaughlin; Crabtree and Co. (Montreal): "Important interests are displaying deepening conviction that a continuing high level of business activity and earnings has been assured for an indefinite period by the requirements of European aid and rearmament superimposed on the continuing demands of consumers and of private business for capital expansion.

The combination of increased government expenditures and tax reduction resulting in a virtually balanced U. S. federal budget, and the practical guarantee of a 2½% yield basis for Government bonds, together rule out important deflationary influences from this quarter.

Finally, the strengthened diplomatic status of United States vis-a-vis Russia is having a powerful effect on investment sentiment. Against this background the cheapness of common stock earnings and dividends indicated by a 10:1 price-earnings ratio and yield of approximately 5.15% on the Dow-Jones industrials cannot be denied. Regardless of the long-range economic consequences of the current tussle over third-round wage demands, stocks are underpriced in relation to the business outlook.

Thinking purely in terms of the industrial average, the rise of less than 3% needed to remove all doubt as to the existence of a major uptrend, does not seem to be a great price to pay for such assurance. In view of the volume of stock that has been taken off the market, the amount of money on the sidelines, the statistical bargains that are apparent, and the increasingly rapid conversion of investment sentiment to the bull side, there is a definite possibility of a rush for the band wagon which could have explosive results. The possibility cannot be ignored of a rise to the 195-200 area before a substantial correction takes place."

* * *

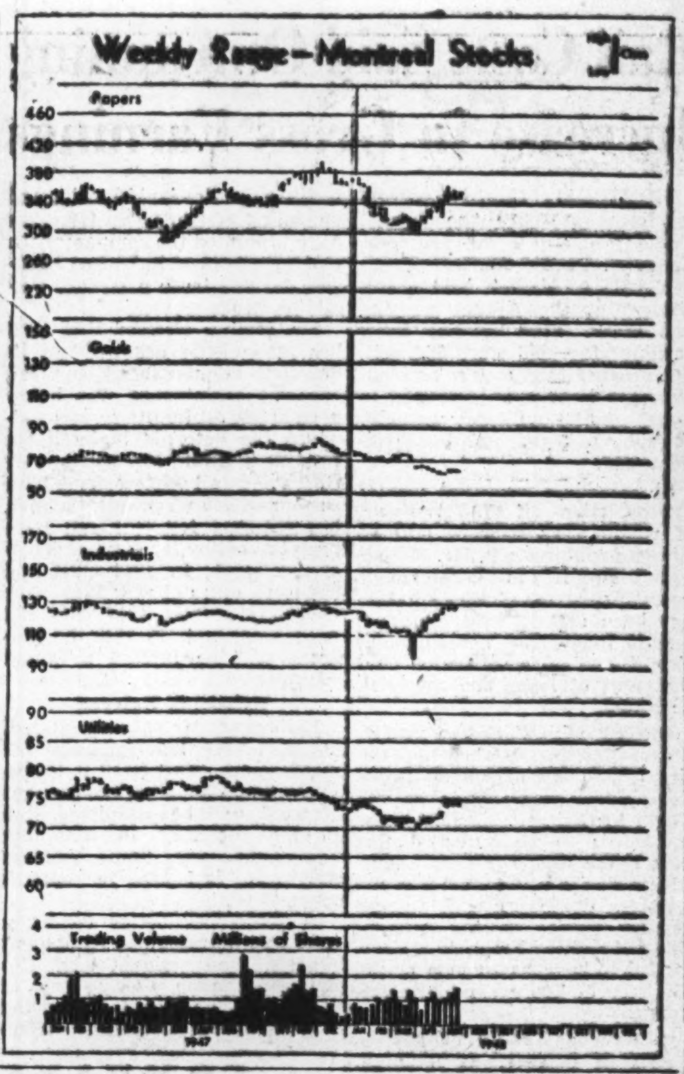
Stanton, Hatch & McCarthy (Toronto): The swing in the pendulum began when the President of the United States spoke on March 17. Twice on that day he stated clearly the new and vigorous foreign policy of support to the Western Bloc and any other of the democracies against Communism, and the need for a strong United States. Passage of the European Recovery Program followed shortly thereafter and the assurance of very large rearmament spending soon became apparent in an aroused Congress. April 18 showed concrete results of this new democratic vigor in the Italian elections, the result of which was a conclusive defeat for the Reds.

Such optimism as has been engendered by the above has been furthered by the continuing good first-quarter company reports and forecasts, both here and in the United States. The stock market has had approximately a 10% advance, accompanied by the best volume on the rise in several years. Conservative investors, who have been holding cash, some for a considerable time, are beginning to reinvest. In our opinion, this reinvestment of funds will continue and should the Dow-Jones Industrial average break through the 186 level, confirming the bull signal already given by the rail average, aggressive buying for speculative account might take the market considerably higher.

Although a weather eye should be kept on the troubled labor skies, we are of the opinion that moderate, carefully selected purchases should be made at this time, confining selections to the seasoned market leaders.

* * *

Barron's: The Trader (New York): Business activity is expanding, earning power is rising, and dividends are slowly mounting. At the same time, yields of high-grade and of tax-exempt bonds are gradually falling, by virtue of the stout support of the government bond market level on a long-term 2½% basis. The combination of all these factors can only lead, in due course, to a protracted and powerful upswing in stocks.



New Highs & Lows

During the week ended May 8, 57 new highs were recorded among the "general" stock exchanges, and 11 new lows. In the mining group there were 17 new highs and 25 new lows; three new highs and one new low among the western oils.

GENERAL

New Highs—1948

Auto Fabric B, Belgium Glove, Brant. Cord., B. A. Oil pfd. n., B. C. Packers B, Bruck Mills, Building Products, Burns & Co. B, Can. Cement, Can. Iron pfd., Can. W. & Cable A, Candn. Canners Do. 2nd pfd., Candn Celanese Do. pfd., Candn. Cotton pfd., Candn. Ing. Rand, Cochrane-Dun. A, Comm. Alcohol, Cons. Paper, Cons. Textiles, Crow's Nest Coal, Dom. Magnesium, Dom. Tar pfd. Do. v.t., East Koot. Pwr. pfd., Enamel & Heating, Federal Grain A Do. pfd., Fraser Cos., Goodyear Tire, Gt. West Coal, Hahn Brass, Imperial Oil, Int. Milling pfd., Int. Paper, Langley's pfd., Lowney's, Massey-Harris pfd., McColl-Frontenac, Robt. Mitchell, National Drug, Natl. Steel Car, Penmans, Powell River, Robinson Little, Rolland Paper pfd., Simpsons A Do. B, Standard Chem., Virginia Dare 5% pd., Twin City, Westeel, Western Grain, Windsor Hotel, Winnipeg Elec. A, Zeller's

New Lows—1948

Bk. of Nova Scotia, Donnacona Pap. pd., Freiman pfd., Hotel Lasalle, Maritime Tel. pfd., Morrison Brass, Niagara Wire Weav., Shawinigan Pr. pd., Wool Combing, York Knitting A & Do. B n.

MINING

New Highs—1948

Base Metals, Castle Tre., Denison, Federal, Goldale, Gulf Lead, Harricana, High. Bell, Hudson Bay, Hugh Mal., Int. Uranium, Kay Rand, L. Fortune, Maralgo, Mining Corp., Que. Y'knife, Rochette

New Lows—1948

Anglo-Hur., Arno, Bordulac, Bulolo, Duquesne, Hoyle, Hudson Rand, Jason, Joburke, J. M. Cons., Kelwren, Laguerre, Lake Wasa, La Luz, Lapa Cad., McWatters, Mylamaque, Porc. Pen., Renabie, Sand River, Star Lake, Sturgeon R., Temiskaming, Thurbois, West Mal.

OILS

New Highs—1948

Anglo Can., Home, Turner Valley

New Lows—1948

Royal Can.

Government Bonds

May 11, 1948 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	June 1951	103¾	104¼
3	Mar. 1954	103½	104½
3	Nov. 1956	103½	104½
3	May 1957	102½	103¼
3	Jan. 1959	101½	102¼
3	June 1960	101	101½
3	Feb. 1962	100¾	101½
1½	Nov. 1960	100¾	101
3	Oct. 1963	100¼	101
3	Sept. 1966	100¼	101
1½	Nov. 1949	100¾	101¼
1½	Nov. 1948	100	100¾
Dom. of Canada Bonds:			
3½	Nov. 1951	100¾	101½
3½	Feb. 1953	102½	103½
3	Oct. 1953	101¾	102½
3	June 1955	101¾	102½
3	June 1958	101¾	102½
4½	Nov. 1959	104	104½
3½	June 1966	102	102½
3	Perpetual	98¾	99½
4½	Nov. 1956	101¼	101¾
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1969	100¾	101½
4½	Sept. 1951	*106¾	*108
4½	Feb. 1956	*111½	*113
4½	July 1957	*113½	*115
4½	June 1955	*111½	*113½
5	Oct. 1969	*108¼	*109½
3	Feb. 1964	112½	114
5	Feb. 1970	*108½	*110
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	*113	*114

%	Due	Bid	Ask
Grand Trunk Pacific Rly.:			
3	Jan. 1962	*99½	*101½
4	Jan. 1962	*110	*112½
Montreal Harbour Com.:			
5	Nov. 1969	*108	*110
Quebec Hydro Com.:			
3	Feb. 1969/73	97½	99
Provincial Govt. Bonds			
Alberta:			
3½	June 1960/64	100½	102
3½	June 1959	102	104½
3½	June 1950/72	101½	102½
3½	June 1960/71	100¾	102
British Columbia:			
2¾	Jan. 1967	94	96
3	Dec. 1960	98½	100
4½	Jan. 1969	122	125
4	Dec. 1957	112½	115¼
5	Apr. 1954	117½	120½
5	Sept. 1962	108¾	111¾
Manitoba:			
4	Dec. 1967	112	115
4½	Dec. 1956	116	119
5	Dec. 1959	123	126
2¾	Aug. 1962/64	93½	95½
5½	July 1958	116½	119
New Brunswick:			
4½	Apr. 1961	113	116
5	Jan. 1960	117	119½
3½	June 1966	90½	92
3½	Mar. 1956	99½	101
Nova Scotia:			
3½	June 1956	101	102½
4½	Nov. 1960	119½	122
5	Mar. 1960	124	126
3	June 1956/65	99½	101
3½	Sept. 1966	93	95
3½	May 1960/62	100	101¼

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69	94½	96¾
3	Apr. 1962/65	99	100½
3½	May 1952/55	102½	103¾
4	June 1962	119	121
4½	June 1950	104½	105½
4½	Jan. 1962	124	127
5	Oct. 1948	101	102
5	Dec. 1960	128	131
2¾	July 1967/76	92½	94½
Ont. Hydro Commission:			
4	Aug. 1967	115	117½
2¾	June 1961/71	93½	94¾
2¾	Oct. 1965/68	94½	95½
Prince Edward Island:			
4	Mar. 1964	101½	103¾
Quebec:			
3½	Mar. 1954/59	102½	103¾
3½	Feb. 1952/55	104	105½
4½	Aug. 1958	108¾	110½
4½	Jan. 1963	114½	115¾
3	Feb. 1960/62	99¾	101
4	Nov. 1960/62	103½	105
Saskatchewan:			
4	Nov. 1955/60	99¾	101½
5	Aug. 1958	106½	108½
4½	Mar. 1960	105½	107½
5	Dec. 1959	109	111½
5½	Oct. 1952	104½	107½
6	Mar. 1952	105½	106½
3	Mar. 1963	90½	92
3½	Nov. 1960/62	92½	94½
3½	Feb. 1960/62	97½	99

*New York funds.

Unlisted Stocks

(Compiled from quotations supplied by Kamm, Garland & Co., Kippen & Co. and Intercity Securities Corp.)

May 10, 1948

	Bid	Ask.
Allens Toronto units	40.00	....
Anglo Can. Telephone A	9.75	10.50
Beauharnois L. H. & Pwr.	11.00	12.00
British Mtge. & Trust	185.00	195.00
B. C. Sugar	88.00	92.00
Can. Investors Corp.	7.00	7.75
Canadian Motor Lamp	12.75	14.00
Can. Silk Prod's A	23.50	25.50
Can. West Nat. Gas com.	65.00	....
Do. pfd.	19.00	20.00
Capital Wire Cloth com.	11.50	....
Do. pfd.	23.50	....
Cawthra Apts. units	6.50	....
Chase A. W. units	44.00	....
Colonial Steamships	95.00	97.00
Commercial Finance com.	15.00	18.00
Commercial Life 10% paid	8.00	....
Continental Life 20% pd.	42.50	....
Cooksville A	9.50	10.50
Do. B	3.50	4.00
Cuban Can. Sugar com.	4.00	5.00
Detroit Internat. Bridge	11.25	12.50
Dover Industries Ltd.	10.00	11.00
Dunlop Tire pfd.	24.75	25.75
Dupuis Freres pfd.	24.75	25.75
Empire Life Ins. 25% pd.	17.00	19.00
Foreign Power Co.	3.00	6.00
Galt Brass com.	33.00	....
Goderich Elev. & Trans.	15.50	16.50
Great West Life	350.00	380.00
Guardian Realty pfd.	44.00	....
Guaranty Co. of N. Amer.	385.00	....
Guelph & Ont. Svgs. $50 p	61.00	...
Hart Battery com.	7.50	8.50
Harts, J. F., A	9.75	10.75
Imperial Life	340.00	360.00
Interprovincial Brick A pf.	....	75.00
Do. B pfd.	....	30.00

	Bid	Ask.
Lambton Loan & Inv. $50 p	85.00	87.00
Laprairie com.	5.00	7.00
Do. pfd.	95.00	97.00
Loblaw Groc. Inc.	18.00	18.75
Manufacturers Life Ins.	340.00	360.00
Monarch Life 30% paid	94.00	....
Monarch Mtge. units	4.75	5.75
Mountainview Apts. pfd.	19.00	....
Nat. Drug & Chem. c. new	7.25	7.75
Do. pfd.	10.50	11.50
New Bruns. Telephone	13.00	13.75
Ont. & Que. Ry. 6% cap stk	....	145.00
Peller Brewing com.	5.75	6.75
Do. pfd.	20.00	22.50
Prov. Bank of Canada	16.00	16.75
Prudential Trust	11.00	....
Quality Steels com.	.50	.75
Ritchie Cut Stone pfd.	4.50	5.50
Sawyer Massey com.	1.50	2.25
Seiberling Rubber com.	5.00	6.00
Sincennes McNaught. Tugs	2.50	....
Sherbrooke Trust	140.00	....
Sovereign Life 25% pd.	36.00	40.00
Standard Fuel pfd. 4%	41.00	44.00
Do. com.	2.00	3.75
Sun Life Assce.	450.00	470.00
Third Can. Gen. Inv.	3.25	3.75
Toronto Gen. Ins.	6.00	....
United Farmers Co-op.	2.50	....
United Steel A pfd.	24.00	25.50
Victoria Trust & Svgs.	133.00	....
Waterloo Mfg. com.	5.00	6.50
Waterloo Trust & Svgs.	125.00	....
Western Assur. com.	63.00	67.00
Western Grain com.	.60	....
Do. pfd.	21.00	....
York Trading com.	11.25	12.50

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	10	8	4	4	9	13	8	16	14	8	16	100
(Base 1935-39=100)												
*1935 to date:												
High	210.2	287.8	149.7	123.7	214.4	135.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.8	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1948: Monthly Figures:												
Jan.	180.8	316.8	113.8	70.5	188.4	117.6	312.6	132.6	101.4	132.5	112.9	107.5
Feb.	179.7	342.7	105.5	65.8	185.2	111.8	284.1	122.5	95.2	129.7	110.1	102.2
1948: Weekly Figures:												
Mar. 4	185.4	246.2	104.1	65.4	188.7	110.0	291.1	121.1	98.1	127.7	107.8	101.4
Mar. 11	188.4	245.3	104.6	64.7	188.8	109.8	287.4	122.1	97.6	128.5	107.2	101.3
Mar. 18	184.1	238.4	105.8	64.0	179.6	108.5	277.7	120.8	95.7	128.9	105.5	99.3
Mar. 25	185.8	247.9	105.2	66.8	189.4	109.9	302.5	122.2	102.3	126.0	109.2	103.4
Apr. 1	196.9	251.2	108.6	67.7	188.5	110.1	306.4	124.7	102.1	125.1	112.4	105.5
Apr. 8	205.3	250.3	108.6	69.3	193.0	116.0	304.1	130.6	101.6	128.9	114.2	107.6
Apr. 15	212.3	253.6	108.2	69.9	194.7	115.3	307.5	132.0	103.1	128.0	114.9	108.8
Apr. 22	215.9	264.0	111.7	72.0	201.9	117.8	323.7	135.4	101.9	127.5	119.7	111.8
Apr. 29	215.1	262.4	110.2	71.4	208.5	116.9	321.2	137.3	103.7	128.0	121.2	111.7
May 6	213.3	263.1	110.2	72.8	208.9	112.9	318.3	136.2	103.3	128.5	119.9	111.8

*High and low for year from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
May 10	182.94	58.96	34.65	67.81
May 8	182.50	58.73	34.68	67.55
May 7	182.29	58.86	34.55	67.61
May 6	181.65	58.93	34.35	67.43
May 5	180.94	57.97	34.11	66.91
May 4	181.44	58.07	34.20	67.38
Month ago	179.05	55.03	33.64	65.47
Year ago	169.80	44.32	33.83	60.04
1948 High	183.78	59.08	34.68	67.81
1948 Low	165.39	48.13	31.65	59.89

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
May 10	178.46	92.57	100.20	42.87
May 8	178.68	92.86	100.78	42.98
May 7	177.78	93.96	100.73	42.43
May 6	177.27	93.22	100.43	41.70
May 5	177.15	93.65	99.56	41.61
May 4	177.36	95.13	100.60	41.86
Month ago	168.79	92.28	88.75	37.07
Year ago	170.13	100.43	82.79	25.93
1948 High	179.61	104.68	101.77	42.98
1948 Low	149.13	89.95	77.07	28.68

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Comb.	10 Pprs.	15 Golds
May 10	71.5	128.3	110.6	335.10	63.92
May 8	75.3	127.8	110.3	354.18	64.10
May 7	75.3	127.8	110.3	354.79	64.10
May 6	74.6	127.2	109.7	354.98	64.15
May 5	74.8	126.5	109.3	350.13	64.27
May 4	74.9	127.6	110.0	347.77	64.63
Month ago	72.0	120.5	104.3	331.88	64.14
Year ago	76.5	122.1	106.9	311.46	68.67
1948 High	75.5	128.5	110.9	371.48	74.82
1948 Low	70.7	106.0	95.7	290.26	62.11

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 11, 1948

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
♦Alg. Cen. H.B.R.	5	'59	67	70	68
†Assoc. Tel. & T.	5½	'55	109	..	108
Bell Telephone	3	'77	96	99	96
B. C. Electric	3½	'67	94	97	92
Calgary Power	3½	'73	95	96	95
East Kootenay	3½	'67	92½	95½	92
♦Gatineau Pr. D	3½	'70	93½	95½	94½
*Do., C	3	'74	90	..	90
Gt. Lakes Pwr.	3½	'67	94½	97½	94½
*Int. Hydro-El.	6	'44	65	68	65
L. St. Law. Pr.	3½	'65	97	100	97
Maclaren-Quebec Power	3	'60	93	..	93
†Mtl. Trams. A	5	'55	97½	..	97½
Nat. Lt. & Pr.	4½	'61	99½	..	99½
Nor. Que. Pr.	4½	'67	97	100½	98½
Ott. L.H. & P.	4	'67	100	..	100
Power Corp.	3½	'67	93½	96½	93½
Quebec Pwr.	3	'62	96	99	96
*Saguenay Pr.	3	'71	98	100	98
St. Maurice Pr.	3½	'70	94½	97½	94½
Shaw. W. & Pr.	3	'61	97½	100½	97½
Shaw. W. & Pr.	3	'71	94	97	93½
Do.	3½	'70	99	102	99
Union Gas	4½	'50	99½	..	99½
Un. Fuel Invest.	4	'59	99	..	99½
United Secs.	3	'53	99	..	97½
Wpg. El.	3½	'71	101	104	100½
Industrial and Realty Issues:					
Abitibi Pr. P.	3½	'67	96	99	96
Acadia-Atlantic Sugar	3½	'65	99½	102½	99
Aluminum Co.	3½	'74	100	103	100
Bathurst P. & P.	3½	'68	98	101	98
B. C. For. Pdcts.	4	'66	93½	96½	93
B. C. Pulp & P.	3½	'67	94	97	94
Bowater's Nfld. P. & P.	3½	'63	96½	99½	96½
Brompton P. & Paper	3½	'66	93	96	93½
*Brown Co.	5	'59	102½	105½	102½
Burns & Co.	3½	'63	97	100	96½
Can. Steamship	3½	'67	99½	102½	99
Can. Brews.	3½	'67	93	96	92½
Can. Celanese	3	'62	95½	98½	95½
Can. Oil	3½	'62	96½	99½	96½
Can. West Lum.	4	'62	98	101	98
Chateo Stl. Prod.	4	'67	91	97	91
C. P. R.	3½	'71	103	105	103
Do.	4	'49	101½	..	101½
C.P.R.	4	Perp.	103	..	103
Consol. Paper	3½	'67	98½	101½	98
Dom. Coal	4	'52	100	..	100
Dom. T. & Ch.	3½	'67	100½	103½	100½
Dom. Textile	3½	'59	101½	..	101½
Dom. Woollens	5	'64	99	102	99
Dryden Pap.	4	'61	98	..	98½
E. B. Eddy	3½	'66	93½	96½	93½
E. B. Eddy	4	'66	98½	101½	98½
English Elec.	4	'67	93½	..	93½
Federal Grain	3	'64	96	99	96
Gt. Lakes Pap.	3½	'67	98	101	98
Imperial Tobac.	3½	'66	94½	97½	94½
Indust. Accept.	3½	'66	93½	96½	94
Lake St. J. P.	5	'61	101	..	101
Do.	5	'61	101	..	101
Lang, John A.	4½	'62	99	..	100
Laurentian Silk	4½	'67	99	..	99
MacMillan (H. R.) Export	4	'65	99½	102½	99½
Maple L. M.	3½	'63	98	101½	98
Massey-Harris	3	'66	92	95	91½
McColl Fron.	3	'71	94½	97½	94½
McCormicks	4	'52	99	..	99
Mercury Mills	4	'63	99	..	99
Monarch Knit.	4	'66	99	102	99
Morgan (Henry) Prop.	3½	'67	94½	..	94½
N.S. Stl. Coal	3½	'63	94	97	92½
Penman's	3½	'66	97½	..	97½
Price Bros.	3½	'66	97	100	97
Silv. Dairies	4	'60-64	97	100	97
Do.	4	'71	98	..	98
Simpsons Ltd.	3½	'60	101	104	100
Steel Co. of Can.	3½	'67	95	98	93
Toronto Elevat.	3½	'66	97½	100½	97½
United Corp.	4	'58	99½	102½	99½
United Steel	4	'60	97½	100½	97½
Untd. Grain Gr.	4	'63	99	102	100
†Western Grain.	5	'63	75	79	75
York Kt. Mills.	3½	'71	89	93	89

*Payable in Can. or U.S.
†Payable in Can., U. S. or U. K.
°Payable in U. S.
♦Payable in Canada only.
▲Payable in Canada or U. K.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$17.20	$16.67	$14.81
Hogs	28.60	28.47	21.60
Copper, lb.	.21½	.21½	.21¼
Sugar, raw, lb.	.0467	.0470	.06185
Coffee, lb.	.26¼	.26¾	.23¼
Hides	.30½	.30½	.24½
Weekly Indices			
U. S. Labor	163.6	163.6	146.7
Dow Jones	147.32	147.96	129.08
Fishers	169.4	169.7	159.4
Monthly Indices			
Retail (Apr.)	151.6	150.8	130.6
W'sale (Feb.)	147.3	146.9	118.1
U. S. (Jan.)	165.6	163.2	141.5
Gt. Brit. (Jan.)	212.1	203.5	181.6

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

COMPANY REPORTS

LAMAQUE GOLD MINES opened up 430 lineal ft. of new ore of $8.54 grade in total length of 1,415 ft. of drifting in 1947. Total development was 28% lower than in 1946. Of 5,751 ft., 1,202 ft. was in ore. Positive ore estimates were higher in tonnage, but average grade was lower at the year end. A slight improvement in labor supply was noted.

Increased tonnage of ore treated resulted in a sharp increase in net profit, despite higher operating, depreciation and tax charges. Average daily tonnage milled rose to 574 tons in 1947 against 398 tons in 1946. Mill rate in December was 685 tons daily. Cost per ton, including taxes, was lower at $6.26, compared with $7.62 in 1946.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Bullion production	$1,785,805	$1,357,888
Add: Invest. inc.	35,697	40,133
Less: Oper. exp.	1,157,528	974,680
Net oper. profit	653,970	438,771
Less: Deprec.	37,695	28,796
Dom. inc. tax	115,013	108,886
Net profit	501,262	301,186
Less: Dividends	510,000	480,000
Deficit for year	8,738	178,889
Earnings per Share:	$0.167	$0.097
Paid	0.17	0.15½

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$1,066,610	$608,169
Gt. bds.	1,708,008	2,056,737
Accts. rec.	5,156	14,308
Inventories	147,828	142,948
Total curr. assets	2,940,604	2,824,162
Prep. & def. chgs.	24,046	23,404
Theat. & hotel ints.	93,276	90,204
Props. at cost	308,395	308,395
Plant & equip.▲	306,813	227,045
Total assets	3,577,224	3,368,219
Accts. & tax. pay.	182,956	122,116
Dividends payable	248,133	85,210
Total curr. liab.	436,089	207,326
Capital stock	750,004	750,004
Surplus	2,402,141	2,410,880
▲After depr. of	2,117,609	2,079,914
Working capital	2,504,515	2,616,836

OPERATING STATISTICS

	1947	1946
Tons milled	209,466	145,315
Average recov.	$8.52	$9.34
Ore reserves, tons	2,436,838	2,230,231
Grade ($35 gold)	$7.82	$8.02

Investment Trusts

	Bid	Asked
Affiliated Funds	4.07	4.45
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.60	5.05
Can. Invest. Corp.	7.00	7.75
Commonwealth Int.	3.54	3.89
Corporate Invest.	8.58	9.25
Trans-Canada, A	14.15	....
Do. B	....	13.85

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3030 DUNDAS ST. W. (opposite High Park Ave.) JU. 1167

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Suppose you were named your friend's Executor . . .

You would naturally appreciate this expression of his confidence in you. But you might well have misgivings too. Such an appointment involves heavy demands on the personal Executor's knowledge, judgment and time.

In naming *your* Executor, plan to make available to your heirs the services of Montreal Trust Company—its experience, its facilities, its trained personnel. In this way you ensure that all details of estate administration receive the close, continuing attention and skilful handling they demand.

Discuss with us the facilities which Montreal Trust can provide for you and your heirs at most reasonable cost. May we arrange an appointment?

Capital, Reserves and Surplus in excess of $7,500,000

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DIVIDEND NOTICES

BANQUE CANADIENNE NATIONALE

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of two per cent (2%) has been declared by the Directors of Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of May, 1948. This dividend, bearing the number 229, will be payable at the Main office or at the branches of the Bank, on or after the 1st day of June, 1948, to the shareholders of record on May 15, at the close of business.

By Order of the Board,
CHARLES ST-PIERRE,
General Manager.

FRASER COMPANIES, LIMITED

DIVIDEND NOTICE

NOTICE IS hereby given that FRASER COMPANIES, LIMITED has declared a dividend of 75c per share on the Common Stock of the Company for the quarter ending June 30th, 1948, payable on July 26th, 1948, to shareholders of record on June 30th, 1948.

BY ORDER OF THE BOARD
G. G. GILLIES,
Secretary.
Edmundston, N.B.,
April 30th, 1948.

VIRGINIA DARE LIMITED

DIVIDEND NOTICE— PREFERENCE SHARES

A dividend of Thirty-One and One-quarter cents (31¼c) per share on the 5% Cumulative Redeemable Preference Shares of the Company has been declared for the three months ending June 1st, 1948, payable on June 1st, 1948, to Shareholders of record May 17, 1948.

By Order of the Board,
G. I. TAYLOR,
Secretary.
Toronto, April 28, 1948.

Woods Manufacturing Company, Limited

Notice is hereby given that a quarterly dividend of Fifty Cents (50c) per share on the No Par Value Common Shares of the Company has been declared for the quarter ending June 30th, 1948, payable June 30th, 1948, to shareholders of record, May 31st, 1948.

By Order of the Board.
R. E. LEWIS,
Secretary-Treasurer.
Montreal, April 29th, 1948.

ALUMINIUM LIMITED

DIVIDEND NOTICE

On April 29th, 1948, a quarterly dividend of Fifty Cents per share in Canadian currency was declared on the no par value Shares of this Company payable June 5th, 1948, to shareholders of record at the close of business May 7th, 1948.

Montreal *April 29th, 1948* — *J. A. DULLEA* *Secretary*

GLOBE OIL Company, Limited

DIVIDEND NO. 8

NOTICE is hereby given that a dividend of two cents (2c) has been declared on the outstanding capital stock of this company, payable June 1st, 1948, to shareholders of record at the close of business on the 15th day of May, 1948.

By Order of the Board,
J. H. R. THOMSON,
Secretary.
Dated at Calgary May 5, 1948.

DIVIDEND NO. 34

Hudson Bay Mining and Smelting Co., Limited

A Dividend of one dollar ($1.00) (Canadian) per share has been declared on the Capital Stock of this Company, payable June 14, 1948, to shareholders of record at the close of business on May 14, 1948.

H. E. DODGE, *Treasurer*.

Belgium Glove & Hosiery Co. of Canada Ltd.

NOTICE OF ANNUAL MEETING

TAKE NOTICE that the Annual General Meeting of the Shareholders of the Company will be held in the Hotel de La Salle, 1240 Drummond Street, Montreal, Canada, on

WEDNESDAY, the 19th day of MAY, 1948,

at the hour of twelve o'clock noon (Eastern Daylight Saving Time) for the purpose of receiving and considering the Report of the Directors of the Company and the Consolidated Balance Sheet and Statement of Income and Earned Surplus and Auditor's Report for the year ended 31st January, 1948; electing Directors for the ensuing year; the appointment of Auditors, and the transaction of such other business as may properly come before the meeting.

DATED at Montreal, this 7th day of May, 1948.

By Order of the Board,
J. ROOS,
Secretary.

Eddy Paper Company Limited

NOTICE OF DIVIDEND ON CLASS A SHARES

The Board of Directors has declared a quarterly dividend of 25 cents ($.25) a share on the outstanding Class A Shares of the Company, payable June 15, 1948, to shareholders of record at the close of business on May 17, 1948. Cheques in payment will be mailed to the shareholders of record. Stock transfer books will not close.

R. F. CALDWELL,
Secretary.
Hull, Canada,
May 5, 1948.

DIVIDEND NOTICES

THE BANK OF TORONTO

DIVIDEND NO. 267

Notice is hereby given that a **Dividend of Thirty Cents** per share on the Paid-Up Capital Stock of this Bank has been declared for the current quarter, payable at the Head Office of the Bank and its branches on and after the first day of June next to shareholders of record at the close of business on May 15th, 1948.

By Order of the Board.
L. G. GILLETT,
General Manager.

UNITED AMUSEMENT CORPORATION LIMITED

COMMON DIVIDEND NUMBERS A-49 & B-43

Notice is hereby given that a dividend of Fifty Cents (.50) per share has been declared on the outstanding capital stock of the Company, payable on the 31st day of May, 1948, to all shareholders of record on the 15th day of May, 1948.

By Order of the Board.
W. H. MANNARD,
Secretary-Treasurer.

Upper Canada Mines Limited

(No Personal Liability)

DIVIDEND NO. 23

Notice is hereby given that an interim dividend of two and one-half cents (2½c) per share has been declared on the outstanding capital stock of the Company, payable in Canadian Funds on June 30th, 1948, to shareholders as of record at close of business June 1st, 1948.

By Order of the Board,
G. F. SUMMERS,
/Secretary-Treasurer.
Toronto, May 5th, 1948.

DIVIDEND NOTICE

International Paints (Canada) Limited

A half-yearly Dividend of 3% for the six months ended March 31st, 1948, has been declared on the new 6% cumulative participating preferred stock of the Company, payable on June 15th, 1948, to Shareholders of record at the close of business on June 1st, 1948.

By Order of the Board,
D. R. W. McKEAN,
Secretary-Treasurer.
Montreal, May 6th, 1948.

Lake Shore Mines Limited

(No Personal Liability)

DIVIDEND NO. 113

NOTICE is hereby given that a dividend of Eighteen Cents per share on the issued capital stock of the Company, will be paid on the fifteenth day of June, 1948, to shareholders of record at the close of business on the fifteenth day of May, 1948.

By Order of the Board.
Kirkland Securities Limited,
Secretary.
Dated at Kirkland Lake, Ontario,
May 3rd, 1948.

The Butterfly Hosiery Co. Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of 3½% on the 7% Cumulative Preferred Stock of the Company, for the half year ending June 30th, 1948, has been declared payable July 30th, 1948, to shareholders of record as at the close of business June 30th, 1948.

That dividend No. 31 of 35 cents per share on the Common Stock of the Company has been declared payable on the 15th day of June, 1948, to shareholders of record as at the close of business May 15th, 1948.

By Order of the Board.
W. V. HOLTON,
Secretary.
May 10th, 1948.

Royalite Oil Company, Limited

NOTICE OF DIVIDEND NUMBER FORTY

NOTICE is hereby given that a Dividend of Fifty Cents per share has been declared payable to shareholders of the Company of record as such on the books of the Company at the close of business on Friday, the 21st day of May, 1948, and that the said Dividend will be payable on or after Tuesday, the 1st day of June, 1948.

The Register of Transfers will be closed from the close of business on Friday, the 21st day of May, 1948, until the opening of business on Monday, the 31st day of May, 1948.

By Order of the Board.
R. D. MERCER,
Secretary.
Calgary, Alberta.
May 7th, 1948.

EAST LEDUC OIL COMPANY LIMITED

Dividend Notice No. 1

Notice is hereby given that a dividend of one and one-half cents (1½c) per share has been declared by the Directors of East Leduc Oil Company Limited, payable July 2nd, 1948, to shareholders as of record on June 2nd, 1948.

By Order of the Board.
J. M. GODFREY,
Secretary-Treasurer.
Calgary, May 6th, 1948.

LEDUC WEST OIL COMPANY LIMITED

Dividend Notice No. 1

Notice is hereby given that a dividend of four cents (4c) per share has been declared by the Directors of West Leduc Oil Company Limited, payable July 2nd, 1948, to shareholders as of record on June 2nd, 1948.

By Order of the Board,
G. H. MORTON, C.A.,
Secretary-Treasurer.
Calgary, May 6th, 1948.

Rail Costs Said Outrunning Increase in Gross Earnings

MONTREAL (Staff)—Increasing costs are still the biggest single problem facing railroads, Canadian Pacific Railway President, W. A. Mather, told shareholders at the annual meeting last week. First quarter gross earnings for 1948 were $6.2 millions higher than a year ago; but expenses kept pace, resulting in a net of $1.3 millions; virtually the same as a year ago, the president said.

Shareholders approved capital appropriations of $79.7 millions, of which $54.2 millions will go for new rolling stock, Mr. Mather stated. Progress in the company's postwar program of rehabilitation has been slower than expected, due to inadequate net earnings, rising cost of construction and shortages of labor and material, he added.

Dealing with Canadian Pacific Steamships, Mr. Mather said the first of two new passenger steamships under construction on the Clyde for British Columbia coast service is to be launched this month; the second later this year. In addition it is expected that the Empress of France will resume regular service on the Atlantic this fall and the Empress of Scotland is to be released soon by the Ministry of Transport for reconversion.

ERP Aids Traffic Volume

ERP is expected to maintain Atlantic eastbound freight traffic in good volume, the president said, and United Kingdom efforts to increase exports may be helpful in providing westbound traffic. Design of the four new Beaver ships now in Atlantic service provides for low fuel consumption and exceptionally good facilities for the rapid loading and unloading of cargo. So far, costs have prohibted the company from placing contracts in United Kingdom for two large passenger vessels for ocean service.

Mr. Mather stressed that CPR has made little headway on its deferred maintenance. In 1947, roadway maintenace was below normal and $2.4 millions was added to the deferred maintenance fund as a result. For some years CPR's new rail requirements have run about 750 track miles a year, but requests for new rail have been limited by the general shortage of steel. In 1944 CPR laid 637 track miles of rail; 1945—609; 1946—511 and in 1947 only 382 miles were laid. In 1948 the program will be limited to about 400 miles.

Ballasting Delayed

Ballasting, Mr. Mather stated, has also been below normal for many years. This year it is unlikely that even a normal amount of work will be completed, due to the difficulty in obtaining equipment units. Some progress was made last year in replacement of ties.

A somewhat better condition exists with respect to equipment repairs, the president said. No deterioration in the upkeep of rolling stock resulted during the war and some progress in deferred maintenance will be made in 1948.

Mr. Mather said it was obvious that increased costs of materials and the anticipated increase in wages, could only be met by increased rates, if efficient railway service was to be provided. He compared the rate increase granted to Canadian railroads with those in United States, which aggregated 43% since the end of the war, and with aggregated increases of 55% in United Kingdom.

J. E. BROWNLEE

former premier of Alberta, has been elected president and general manager of United Grain Growers Ltd.

DIVIDEND NOTICES

The Monarch Knitting Company, Limited

NOTICE OF DIVIDENDS

NOTICE IS HEREBY given that the following dividends have been declared:

On the 4½% cumulative redeemable sinking fund preference shares:

A quarterly dividend of $1.12½ per share for the quarter ending June 30, 1948, payable on and after July 1, 1948, to the holders of record at the close of business on May 31, 1948.

On the common shares:

A quarterly dividend of 25c. per share for the quarter ending June 30, 1948, payable on and after July 1, 1948, to the holders of record at the close of business on May 31, 1948.

By Order of the Board.
D. A. McINTOSH,
Secretary.
Toronto, May 10, 1948.

WOOL COMBING CORPORATION OF CANADA LTD.

A quarterly dividend of forty cents (40c) per share on the outstanding shares of the par value of five dollars ($5) each of the Company has been declared payable July 10, 1948, to shareholders of record June 25, 1948.

Dated at Toronto this 10th day of May, 1948.

D. A. McINTOSH,
Secretary.

IMPERIAL OIL LIMITED

Toronto 1, Ontario

NOTICE TO SHAREHOLDERS AND THE HOLDERS OF SHARE WARRANTS

NOTICE is hereby given that a dividend of 25 cents per share in Canadian currency has been declared and that the same will be payable on or after the 1st day of June, 1948, in respect of the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 69 at:

THE ROYAL BANK OF CANADA
King and Church Streets Branch, Toronto 1, Canada.

(For convenience coupons are also negotiable without charge at any branch of The Royal Bank of Canada in Canada.)

The payment to shareholders of record at the close of business on the 14th day of May, 1948, and whose shares are represented by Registered Certificates of the 1929 issue, will be made by cheque mailed from the offices of the Company on the 31st day of May, 1948.

The transfer books will be closed on the 15th, 16th, and 17th days of May, 1948, and no Bearer Share Warrants will be converted into other denominations of share warrants during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for accounts of non-resident shareholders. Ownership Certificates (Form No. 600) must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax, for which purpose Registered Shareholders will receive with dividend cheques a Certificate of Tax Deduction, and bearers of Share Warrants must complete Ownership Certificates (Form No. 601) in duplicate and the Bank cashing the coupons will endorse both copies with a Certificate relative to the deduction and payment of the tax and return one Certificate to the Shareholder. If forms No. 601 are not available at local United States banks, they can be secured from the Company's office or The Royal Bank of Canada, Toronto.

Subject to Canadian regulations affecting enemy aliens, non-residents of Canada may convert this Canadian dollar dividend into United States currency or such other foreign currencies as are permitted by the general regulations of the Canadian Foreign Exchange Control Board at the official Canadian Foreign Exchange control rates prevailing on the date of presentation. Such conversion can be effected only through an Authorized Dealer, i.e., a Canadian branch of any Canadian chartered bank. The Agency of The Royal Bank of Canada, 68 William Street, New York City, is prepared to accept dividend cheques or coupons for collection through an Authorized Dealer and conversion into any permitted foreign currency.

The Secretary will on request and when available forward to the holder of any Bearer Share Warrant of the Company a copy of the Company's annual report for the fiscal year.

BEARER WARRANT HOLDERS WHO HAVE NOT YET OBTAINED COUPONS NUMBERS 61-80 WHICH WERE AVAILABLE IN 1943 ARE URGED TO DO SO IMMEDIATELY BY SENDING TO THE SECRETARY'S OFFICE, 56 CHURCH STREET, TORONTO, ONTARIO, THE TALON ATTACHED TO THEIR SHARE WARRANTS.

BY ORDER OF THE BOARD,
COLIN D. CRIGHTON,
General Secretary.
56 Church Street,
Toronto 1, Ontario,
May 6, 1948.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

LITTLE LONG LAC GOLD MINES handled a larger tonnage of lower-grade ore in 1947, and while bullion production was moderately higher, increased operating expenses resulted in a net loss of $37,017 as against profit of $50,356 in 1946.

Since end of 1947 the main vein has been partially opened up on the 25th level only, and to end of April 183 ft. of drifting on the vein averaged $2.80 over a width of 44 in., President W. Samuel states. Fall in grade is due to a lessening of gold content of the quartz veins, as amount of quartz present has remained relatively the same over most of the depth in the mine.

In effort to reduce costs, company plans to operate the mill at 300 ton capacity and to examine lower levels to accurately determine gold values there existing. Work is expected to be completed by year end.

Exploration drilling on the 15th level cut several narrow gold-bearing bands of sulphides, but none are considered likely to develop into ore bodies. Six surface holes drilled to test anomalies failed to return commercial values.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Bullion recov.	$745,539	$728,518
Less: Mkt. chgs.	6,266	7,310
Net bullion recov.	739,273	721,208
Less: Oper. exps.	785,526	705,222
Oper. loss	46,253	a15,986
Add: Deprec.	3,166	4,616
Less: Other inc.	12,402	13,096
Int. tax credit	......	*25,890
Net loss	37,017	a50,356
Less: Dividends	......	73,640
Deficit for year	37,017	23,284

*Credit through applying 1946 depletion allowance in excess of 1946 profit. aProfit.

Earnings per Share	d$0.020	$0.027
Paid	......	0.04

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$128,485	$237,964
Bonds, at cost	455,000	555,000
Accts., etc., rec.	40,858	41,361
Mining co. shs.*	83,874	83,874
Mine stores, etc.	153,383	143,180
Total curr. assets	861,599	1,061,379
Outside mng. cls.	5,000	22,754
Misc. investa.	46,128	42,727
Prep. chg. & adv.	111,470	8,467
Mining props.	306,893	306,892
Plant & equip.a	30,482	22,212
Total assets	1,363,571	1,466,431
Total curr. liab.	59,075	44,902
Capital stock	1,198,410	1,198,410
Capital surplus	114,705	120,129
Earned surplus	a8,619	102,990
aAfter depr. of	1,320,582	1,317,516
*Market value	133,950	133,260
aDeficit.		
Working capital	802,524	1,016,477

OPERATING STATISTICS

	1947	1946
Tons milled	78,216	67,850
Average recov.	$9.53	$10.74
Ore reserves, tons	453,004	484,940
Grade ($35 gold)	$12.07	$11.93

CANADIAN CANNERS net profits increased slightly to $1,698,300 in year ended Feb. 29, 1948. Working capital finished over $300,000 higher at $8,014,195.

Production in 1947 was not as heavy as anticipated, particularly on vegetables, owing to early frosts and unfavorable weather conditions in the growing season, President W. R. Drynan states. On the other hand, fruits gave a satisfactory production. Providing weather conditions are favorable, all company factories will operate to capacity this season.

Sales have been somewhat slow the past few months owing to buyers' desire to reduce their surplus stocks.

Inventory, as outlined in the accompanying balance sheet, is somewhat larger than that of the previous year, but not considered burdensome, as increase is particularly due to increased purchases of supplies in anticipation of higher costs, which have since been announced. Production costs are expected to be appreciably higher this year. Three new plants were erected in 1947.

CONSOLIDATED INCOME ACCOUNT

Years Ended:	Feb. 29 1948	Feb. 29 1947
Net earnings	$4,216,139	$4,701,486
Less: Bond int.	17,839	23,448
Deprec. res.	700,000	600,000
Income taxes	1,800,000	2,400,000
Net profit	1,698,300	1,678,038
Less: 1st pref. div.	228,767	228,875
2nd pref. div.	304,968	327,413
Com. divs.	234,958	201,481
Surplus for year	929,607	920,269
Times Note Interest Earned:		
Before deprec.	236.34	200.51
After deprec.	197.10	174.92
Earnings per Share and Dividend Record:		
1st pref‡	$8.91	$8.80
Paid	1.00+0.20	1.00+0.20
2nd pref.‡	5.04	4.81
Paid	0.60+0.40	0.60+0.40
Common*	*6.01	*6.11
Paid	1.25	1.21¼

‡Before (*after) participating feature. *Providing all 2nd pref. were converted into common, earnings on the combined 2nd pref. and common, after participation of 1st pref., would amount to $2.98 in 1948, $2.94 in 1947.

CONDENSED CONS. BALANCE SHEET

As at:	Feb. 29 1948	Feb. 28 1947
Cash & govt. bds.	$136,817	$2,703,611
Accts. rec.	1,952,467	1,796,807
Inventories	9,942,753	9,264,215
Total curr. assets	12,032,037	13,764,633
Unexp. insur.	27,844	19,766
Misc. assetsa	956,651	956,651
Fixed assets	17,250,961	16,047,973
Intangibles	3,242,619	3,242,620
Total assets	33,510,112	34,031,643
Bank loans	......	811,633
Accts. & tax. pay.	4,017,842	5,269,242
Bond int. accr.	......	7,458
Total curr. liab.	4,017,842	6,088,333
Funded debt	500,000	1,000,000
Deprec. res.	11,235,615	10,566,613
Other reserves	4,732,755	3,632,755
Capital stock	10,579,867	10,579,867
Capital surplus	144,545	144,545
Earned surplusa	†2,299,488	2,019,530
aIncl. ref. EPT.	937,000	937,000

†After transfer of $1,000,000 to investment and contingency reserve.

Working capital	8,014,195	7,676,300

ELECTROLUX CORP., New York net profit in 1947 at $4,086,238 was approximately 29% above 1946. Manufacturing operations continued uninterrupted at an accelerating rate throughout the year. On July 10, less than two years after resumption of cleaner manufacture at V-J day, the one millionth postwar Electrolux cleaner came off the factory assembly line. Number of cleaners produced in 1947 increased 64% over 1946 and was about three times the number produced in any prewar year.

Increase in inventories of $2,591,-251 was due primarily to increased production and expanded sales volume, and, to a lesser extent, to higher prices paid for materials and supplies during 1947.

INCOME AND SURPLUS ACCOUNT

Years Ended Dec. 31:	1947	1946
Total net income	$8,249,401	$5,780,415
Less: Deprec.	316,799	176,223
Pension fund	993,245	790,351
Interest	53,119	24,847
Fed. tax res.	2,800,000	1,835,000
Add: Unneeded res.	......	213,662
Net profit	4,086,238	3,167,656
Less: Com. divds.	2,707,100	1,851,000
Surplus for year	1,379,138	1,316,656
Earnings per Share and Dividend Record:		
Earned	$3.32	$2.57
Paid	2.20	1.50

CONDENSED BALANCE SHEET

As at Dec. 31:	1947 $	1946 $
Cash & govt. bds.	8,451,979	12,725,689
Accts. rec.	4,155,076	1,533,617
Inventories	6,976,073	4,384,822
Total curr. assets	19,583,128	18,644,128
Prep. exps.§	782,261	2,500,269
Fixed assets*	2,334,949	1,176,251
Total assets	22,700,338	22,320,648
Accts. & tax. pay.	9,040,748	6,066,040
Other curr. liab.	2,969,036	6,943,192
Total curr. liab.	12,009,784	13,009,232
Capital stock	1,125,500	1,125,500
Reval. surplus	1,063,550	1,063,550
Surplus	8,501,504	7,122,366

§Incl. in curr. assets in co's. report.

*After depr. & amort.	906,603	795,781
Working capital	7,573,344	5,634,896

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO monthly summary or primary power demands (actual loads plus cuts) for March, 1948, records a decrease of 0.6% or 13,343 km. (17,700 h.p.) in comparison with March, 1947. This decrease is largely a result of regulations, allocation of power and voluntary savings.

The detailed tabulation in kilowatts is as follows:

Max. 20-min. Peak Kw.	March 1948	March 1947	% Incr.
Primary Demands: (Actual Loads plus cuts)			
South. Ont.	1,769,772	1,788,845	—1.1
Thunder Bay	113,530	101,800	+11.5
Nor. Ont. Prop.	173,872	179,872	—3.3
Total	2,057,174	2,070,517	— .6
Total Generated & Purchased:			
South. Ont.	1,694,522	1,708,595	— .8
Thunder Bay	115,430	107,200	+7.7
Nor. Ont. Prop.	175,047	240,252	—27.1
Total	1,984,999	2,056,047	—3.5

DIVIDEND NOTICES

Canadian Malartic Gold Mines Limited

DIVIDEND NO. 30

NOTICE IS HEREBY given that a Dividend of 2 cents per share has been declared by the Directors of Canadian Malartic Gold Mines Limited, payable in Canadian funds on June 10th, 1948, to shareholders of record May 19th, 1948.

By Order of the Board.
A. G. FULTON,
Secretary.
Toronto, Ontario.
May 7th, 1948.

McCOLL-FRONTENAC OIL COMPANY LIMITED

"COMMON STOCK DIVIDEND"

NOTICE IS HEREBY GIVEN that a Dividend of 25 cents per share has been declared on the no par value Common Stock of McColl-Frontenac Oil Company Limited, payable June 15th, 1948, to shareholders of record at the close of business on May 21st, 1948.

By Order of the Board.
FRED HUNT,
Secretary.

Wheat Sowing Gains Headway Through West

(Special Correspondence)

REGINA—At last seeding is well under way over considerable areas of Western Canada, and thousands of tractors are busy in the fields. In southern Alberta, where operations had been more advanced than elsewhere, and some farmers had been able to report 60% of their wheat in, a serious setback was caused by a heavy week end snowstorm. Elsewhere, various reports come in of from 5% to 20% accomplished, with farmers having to select the drier parts of their farms for work, and avoiding for the present, land summer-fallowed last year.

There are many parts still where farmers will consider themselves lucky if they get on to the land by May 15, and large areas which will be still later. But thanks to the speed with which land can be seeded with modern machinery, a high degree of optimism prevails throughout the West that at least a fairly high percentage of land intended for seeding this year will be able to produce a crop, in spite of the lateness of the present season.

Most farmers will continue with wheat until May 24, usually regarded as the safe limit; but many will continue until the first of June. As soon as wheat is disposed of, attention will be turned to oats, barley and flax, all of which can go in later. In some districts there will be local difficulties on account of the scarcity of satisfactory seed for coarse grain crops.

Deliveries of all grains at country elevators have been at an extremely low ebb during the past month because of bad roads and the inaccessibility of farm granaries; and are not likely to be heavy in volume again until after the middle of June. In the meantime, country elevators are being emptied out, and the Canadian Wheat Board is making special efforts to have every possible car of wheat shipped.

Build Diesels In Canada, Plan Of MLW, CGE

MONTREAL (Staff) — One of the most important U. S. dollar-saving programs worked out by Canadian industry was announced this week by Montreal Locomotive Works and Canadian General Electric Co. (The Financial Post, May 8).

The two firms will unite to produce Canadian-made Diesel-electric locomotives, a step which they say will mean a saving in U. S. dollars, equal to one third the value of each locomotive. It is predicted that eventually, more than 90% of the locomotives will be Canadian in origin.

MLW will manufacture the Diesel-electrics in its Montreal plant, and will sell them from there, while CGE will produce the necessary electrical equipment in its Peterborough plant.

The agreement between the companies parallels the one in effect in United States between American Locomotive and General Electric since 1924. It is expected that eventually MLW-CGE will produce in Canada, the complete line of seven Alco-GE models of road and switching Diesels.

First locomotive produced will be a 1,000-hp Diesel-electric for CPR, scheduled to be exhibited at the International Trade Fair. MLW reports that it already has $4 millions of orders for Diesels on hand.

Tooling up at both plants is said well under way. MLW is rearranging part of its plant to make way for the new production line. While both companies expect to use the maximum of Canadian materials, it will probably be some time before the complete change-over to Canadian sources of supply is effected. This involves quality materials at volume level and there is, in addition, the question of government controls.

Grain Prices

Winnipeg Grain Futures

Week to May 10, 1948

Crop year from Aug. 1, 1947 High	Low		High for week	Low for week	Close May 10
		Oats			
.95½	.72	May	.92¼	.91⅜	.91⅞
.95½	.68½	July	.86½	.84⅞	.85⅜
.83⅞	.66⅜	Oct.	.79½	.78⅜	.78¾
		Barley			
1.35⅝	1.06	May	1.19⅛	1.17⅝	1.17¾
1.15⅝	1.01¾	July	1.15⅜	1.13¼	1.13⅞
1.25¾	.98½	Oct.	1.06½	1.05⅛	1.05⅛
		Rye			
4.50	3.60	May	4.37	4.21½	4.21¾
3.93½	3.01	July	3.70	3.53	3.53
3.05¼	1.68	Oct.	2.02⅜	1.99	2.00

Cash Quotations

	For Week May 10 High	Low	Prev. Week High	Low
Oats				
2 C. W.	.92⅛	.91⅜	.94½	.92⅛
3 C. W.	.90⅜	.89¾	.92⅜	.91⅛
Barley				
1 Feed	1.14⅛	1.13¾	1.16⅞	1.14⅝
2 Feed	1.10⅛	1.09¾	1.15⅞	1.11⅛
Rye				
2 C. W.	4.37	4.10	4.42	4.22

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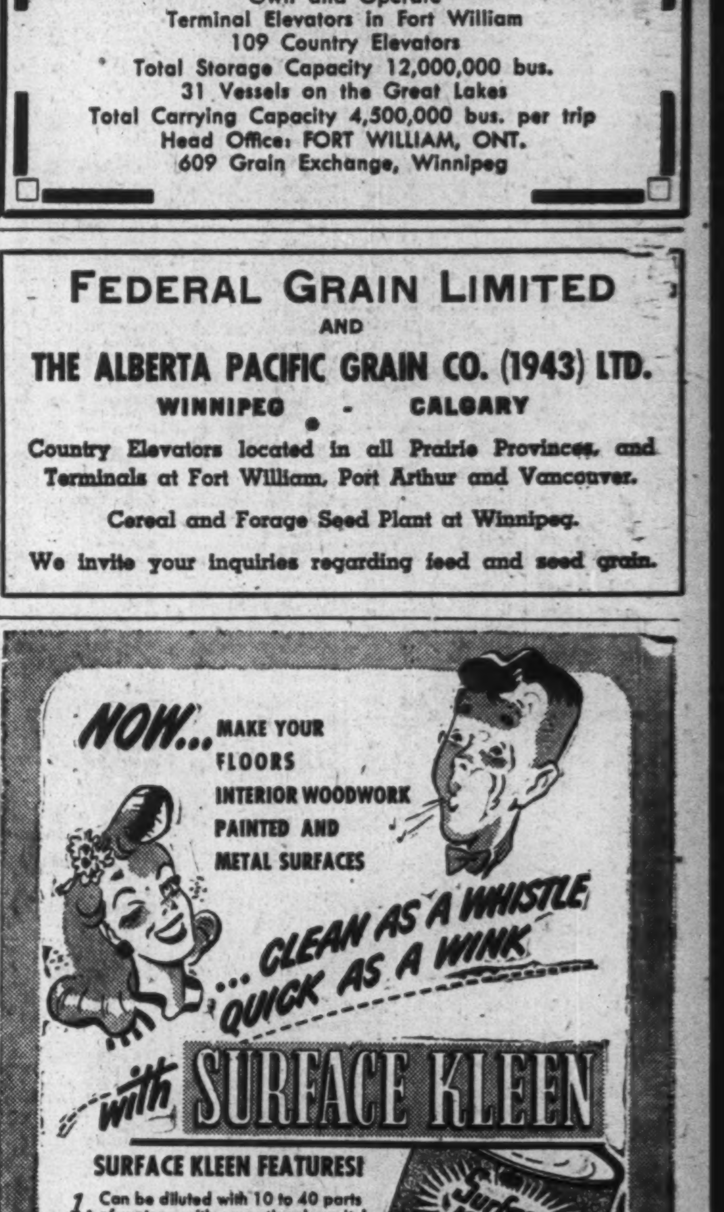

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Honeywell

Producers Hold Prices As Copper Demand Rises

Stockpiling plans of the United States Government increased requirements of domestic users in that country, plus predicted material jump in European demand under ERP, are expected to create a tighter supply situation in world copper circles this year.

The supply situation, coupled with present wage demands before American producers, leaves price levels in rather a precarious position, it is stated. However, large U. S. operators are said ready to oppose vigorously any suggested increases. Over-all opinion seems to be that there is little possibility of a price rise if wages in the industry remain unchanged.

Needs of U. S. copper imports of 1948 are officially estimated at 450,000 tons, against 400,000 in 1947. Estimates may, of course, be revised upwards if foreign copper is sought for stockpiling purposes to bring government stockpile to the much talked of million tons.

Early indications are that European consumption of copper under ERP will require greater shipments from the Western Hemisphere this year. Principal foreign countries obtaining U. S. dollars under ERP are expected to boost demand before end of current year.

Growth of consumption in copper-using countries in 1947 over the preceding year, was quite noticeable. Total U. S. deliveries in 1947 were 1,383,700 tons as against 1,260,900 tons in 1946; consumption of copper in mill products in Canada in 1947 amounted to 109,200 tons, up from 76,000 tons in 1946; Belgium, 67,200 tons as compared with 48,000 tons; United Kingdom, 392,100 tons as against 364,500 tons. Czechoslovakia, France, India, Netherlands, Sweden and Switzerland also showed substantial increases in consumption in 1947.

Speaking recently at an informal press conference Robert C. Stanley, president of International Nickel Co. of Canada, anticipated world demand for copper continuing for some time.

Donalda Plans Shipping Ore To Powell In July

Officials of Donalda Mines are setting sights on early July for start of ore treatment in the milling plant of Powell Rouyn Gold Mines. Initial shipments are expected to be made at 200 tons a day, but several stopes are to be prepared on the four levels to 655-ft. depth to boost production to 300 tons daily.

Initial milling ore is expected to be drawn from the surface dump, estmated to contain around 6,000 tons of lower grade than is expected to come from stopes.

Drifting west on the first level is reported to have opened a length of 200 ft. averaging $17.50 across 4.13 ft. Vertical drilling east of the shaft has indicated a width of 5.4 ft. averaging $61.60. Raising is under way from the fourth to third level, where an ore length of 83 ft. was opened, averaging 0.44 oz. across 4.3 ft. with ore still showing in the face. This is believed to be upper extension of fourth level ore where length of 440 ft. averaged $12.95 across 3.8 ft.

Drilling ahead of the east face on the third level indicated a strong continuation with one intersection of 18.5 ft. averaging $16.48 across estimated true width of 5 ft.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

VENTURES LTD. realized substantially higher dividend income from shares and bonds in 1947 and despite a $100,000 increase in transfer to investment reserve, profits finished more than double 1946 final earnings.

Necessity of financing to production several of company's important holdings and unsettled conditions made difficult formulation of a definite policy with regard to resumption of dividends, President Thayer Lindsley stated. Cash resources have been utilized in opening up high-grade ore bodies at various properties.

Proceeds of security sales were used to assist in financing Frobisher Ltd. and Eureka Corp. and further assistance was given Consolidated Beattie before management control passed to other interests.

The company did not exercise any part of its option from Mr. T. Lindsley on 310,000 shares of Sherritt Gordon Mines which expired Dec. 31. The option has been extended for two years at $1.75 per share, provided that 150,000 shares are purchased before end of 1948.

Base metal operations, in which company is interested, include Kilembe mine in Uganda, Africa, where some 1,750,000 tons of oxidized and sulphide ore have been outlined, averaging 3.5% copper and 0.13% cobalt. Possibility of finding major ore extension is considered excellent. Improved earnings were shown by Dominion Magnesium, Fahralloy Canada, New Calumet and Sherritt Gordon in which Ventures holds fairly large holdings.

Production at Giant Yellowknife is expected to be small in 1948 until power is available from Snare River plant.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Divs. & int. rec'd. ..	$882,925	$408,887
Less: Int. pd.* (net) ..	36,961	17,034
Exec. sal.	13,150	19,393
Legal fees	6,843	3,605
Admin. exps.	36,315	57,685
Prov. for taxes ..	43	1,156
Trans. to inv. res. ...	200,000	100,000
Profit for year	589,613	210,014
Less: Divds.	89,371	357,483
Surplus for year ..	500,242	†147,469
†Deficit.		
Earnings per Share ..	$0.33	$0.12
Paid	0.05	0.20

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Accts. rec.	$1,531	$17,209
Min. & ind. shs.‡ ..	44,127	36,977
Total curr. assets ..	45,658	54,186
Adv. for exp.	24,425	16,376
Expend., sund. prop. .	12,829	11,512
Shs. in & advs. to sub. & other cos. ..	15,998,913	15,171,896
Other shs. (cost) ..	22,938	13,598
Int. in patents	7,500	7,500
Int. in Ila Perrot site	96,099	95,958
Claims	81,028	81,028
Equip. & furn.	2,830	2,829
Total assets	16,292,220	15,454,882
Bank loan	840,253	871,664
Accts., etc., pay. ..	37,095	27,560
Tax reserve	40,458	40,458
Total curr. liab. ..	917,806	939,682
Res. assoc. cos.	3,183,588	2,983,588
Capital stock	9,343,348	9,343,348
Spec. surplus	279,733	120,761
Earned surplus	2,567,745	2,067,503
‡Market value	61,740	70,257
Excess of curr. liabs. over curr. assets ..	872,148	885,496

SILVER-MILLER MINES received $64,022 from sale of silver in 1947 when expenditures totalled $87,322. To make possible development of new lower levels, sinking of winze below 360-ft. level has been undertaken since year end.

Up to March, 1948, mine has shipped out high grade silver totalling 212,080 oz., for which $102,078 advance payment has been received, and balance of $25,965 is due when silver is refined and sold by Deloro Smelting & Refining Co. Company estimates that an equal amount of silver is tied up in mill rock now stock piled on surface. Total of 61,412 lb. of cobalt ore has been stored, waiting for higher prices.

As at Dec. 31, 1947, current assets were $87,574, against liabilities of $4,810.

GIANT YELLOWKNIFE GOLD MINES balance of option on 32,750 shares at $5 a share, granted to certain personnel of the management, staff and employees of the company, has been extended to April 30, 1949.

EL SOL GOLD MINES May 1 installment of 50,000 shares at 20 cents a share and each subsequent installment have been extended for three months.

Hosco's Mill Unit Starts This Week

The 150-ton daily capacity mill is expected to commence operating any day on the Joannes twp. property of Hosco Gold Mines, The Financial Post is advised. Initial test run was scheduled to start some time between May 15 and end of month, but company officials are now hopeful of throwing the "switch" close to the 15th.

Upon completion of initial break-in period the company will draw mill feed from surface dump and from newly developed stopes on levels underground.

Hosco has been getting considerable encouragement in drilling west end of third level where a new ore picture is beginning to unfold. Ore reserves are estimated to be sufficient for eight months' milling at rate of 100 tons daily.

Financing of the Hosco mine to production has been aided by a recent bank loan of $60,000, which has been guaranteed by four directors. The company has since sold 60,000 shares at one cent a share to these directors in consideration of the bank guarantee. Some 590,000 shares of the authorized four million share capital remain in the Hosco treasury.

Three Western Oils Plan Divd. Payment

Three western oil companies have announced dividend payments with two making initial distribution in the first year of incorporation. Leduc-West Oils will pay a four cent dividend on July 2 to shareholders of record June 2, or total distribution of $68,000.

East Leduc Oils will pay 1½ cents a share July 2 to shareholders of record June 2, or total disbursement of $27,000. Globe Oil Co. is raising usual payment of 1¼ cents a share to two cents, payable June 1 to shareholders of record May 15.

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Eureka Begins Dewatering Job

Power and pumping equipment is rapidly being installed at Eureka Corp. and dewatering of the Fad shaft is expected to start immediately, The Financial Post is advised. Additional equipment for recovery of the shaft to the bottom is on hand or ordered, and will be installed as pump stations are freed of water.

Studies of the water conditions in the Nevada mine were recently confirmed by a consultant who has had considerable experience in deep mines in limestone where water is a major problem. In general, while inrushes of water may be expected from time to time, the area tends to drain gradually, and with sufficient excess pump capacity, the problem is not too serious, the company states.

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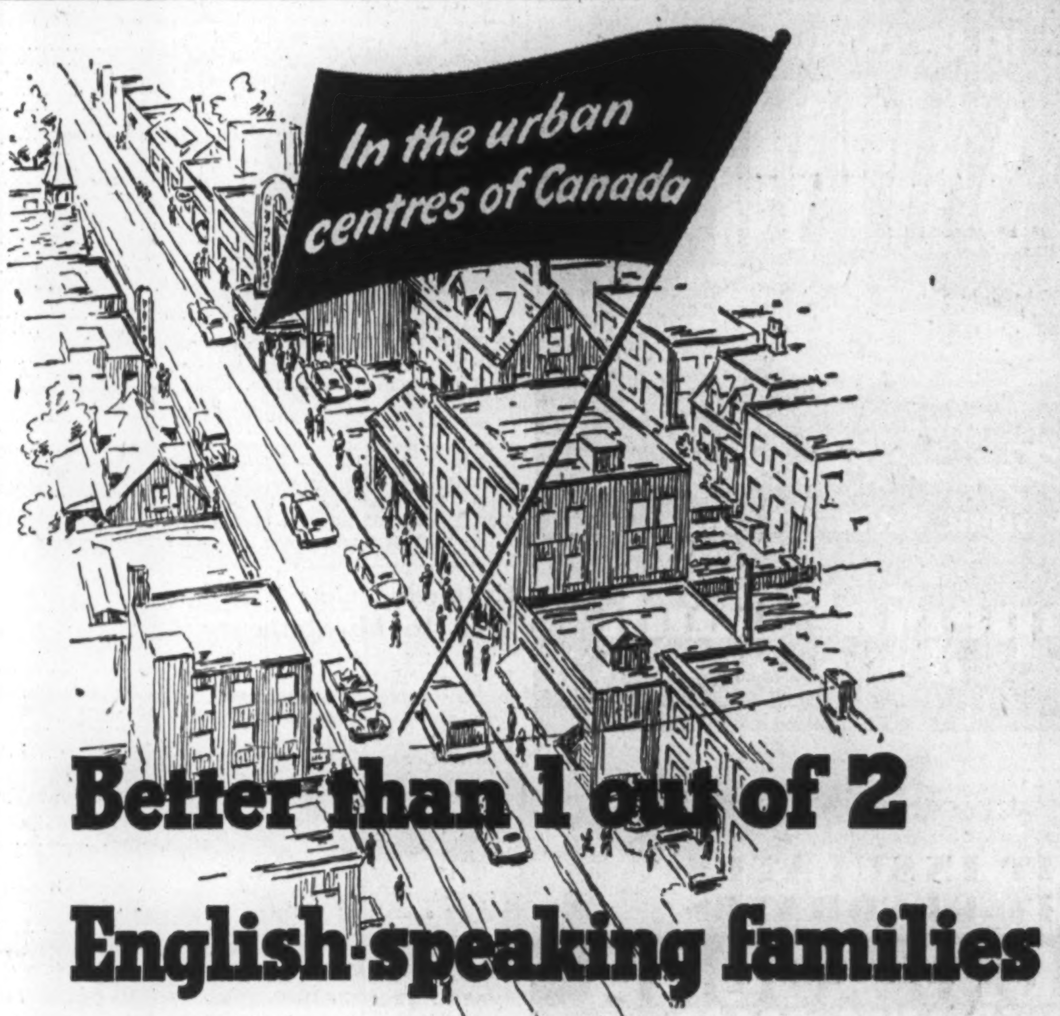

Better than 1 out of 2 English-speaking families read The STAR WEEKLY

There are 1,202,641 English-speaking families in the urban centres of Canada. 639,256* of these families or 53.15% read the Star Weekly.
*Issue of September 27, 1947.

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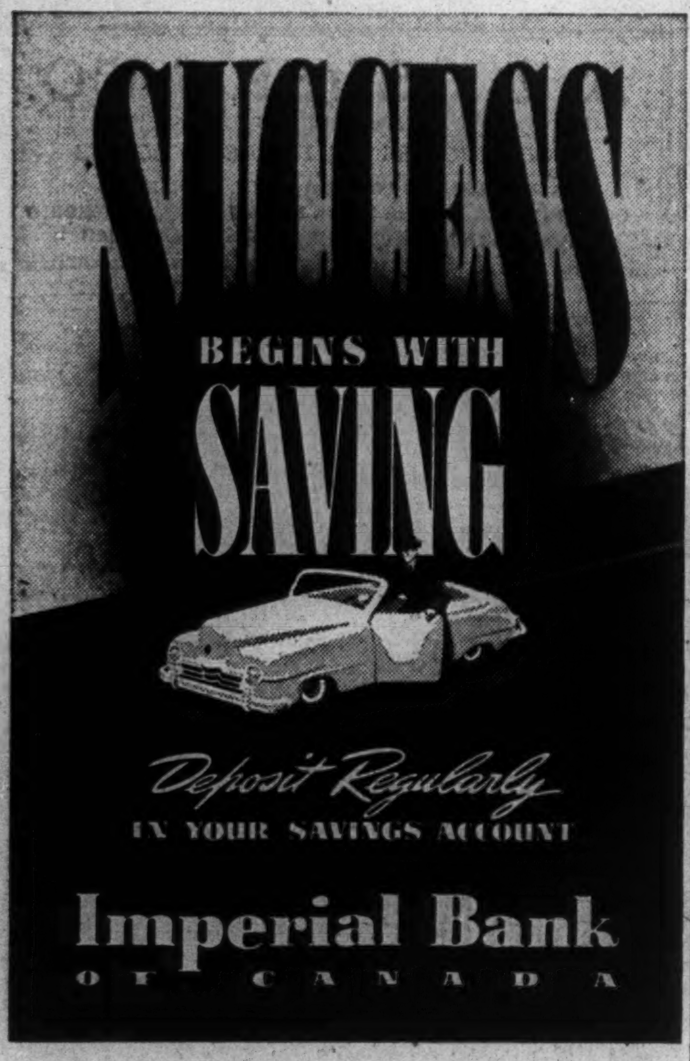


Ontario Gold Production Gains In March Quarter

Ontario gold production at $17,110,019 in the first three months of 1948 was 2% greater than the similar period of 1947, figures released by Mines Minister Leslie M. Frost show. March output rose to the highest figure since May, 1947.

Tonnage treated increased 1.8% to 1,969,179 tons. Notwithstanding a drop in average grade of ore treated, $8.59, the lowest since October, 1947, bullion containing 169,660 oz. of gold and 32,888 oz. of silver valued at $5,960,787 was produced during March.

Naybob (1945) Gold Mines, in the Porcupine camp, began reporting production in January while in the case of Berens River Mines no return was received for March and figures were estimated for the month.

The Porcupine camp produced $8,352,870 from 1,023,348 tons of ore in March, 1948 ($8,441,818 from 1,024,990 tons in same month, 1947); Kirkland Lake-Larder Lake belt, $5,430,118 from 547,332 tons ($5,435,145 from 545,133 tons); Matachewan-Sudbury district, $515,570 from 115,434 tons ($335,323 from 115,801 tons); Northwestern Ontario, $2,810,461 from 283,065 tons ($2,559,311 from 248,396 tons); miscellaneous districts produced $1,000 in March, 1948.

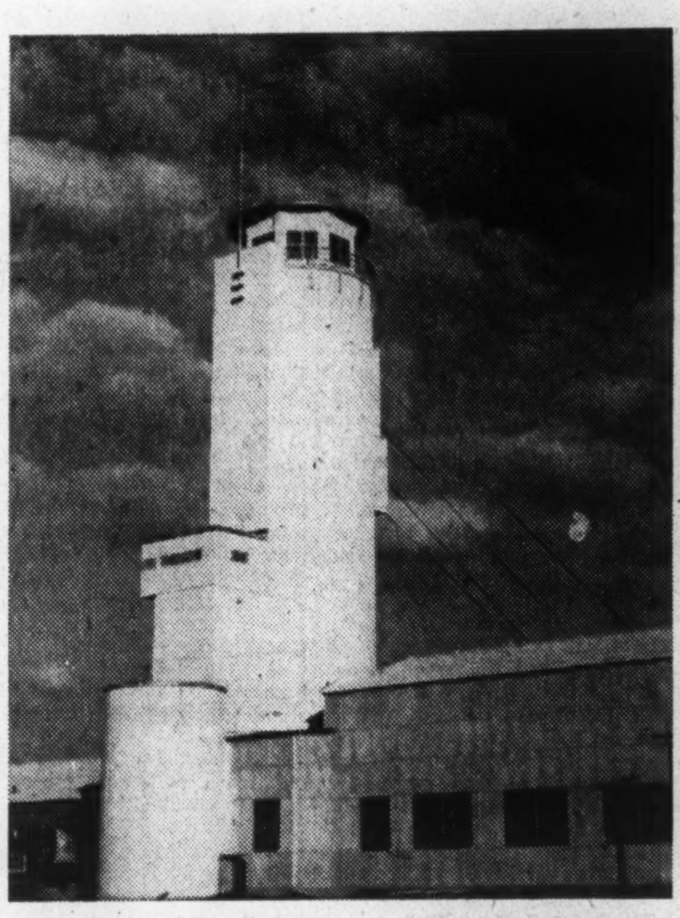
Production in first three months in 1948 follows:

Area:	Tons milled	Value $
Porcupine:		
Aunor	42,024	496,644
Bonetal	10,590	40,593
Broulan Porcupine	18,446	155,162
Buffalo Ankerite	40,952	236,808
Coniaurum	28,260	310,669
Delnite	23,484	207,248
Dome	151,000	1,307,725
Hallnor	31,833	382,497
Hollinger	260,822	2,121,675
Hoyle	22,953	64,726
McIntyre Porcupine	160,870	1,806,360
Naybob (1945)	9,034	15,260
Pamour	92,002	275,757
Paymaster Consol.	38,297	276,494
Porcupine Reef	9,045	39,264
Preston East Dome	58,288	455,248
Ross	25,448	160,740
Total	1,023,348	8,352,870
Kirkland Lake:		
Bidgood	10,350	105,658
Kirkland Lake Gold.	23,378	374,700
Lake Shore	79,356	1,125,784
Macassa	23,209	284,647
Sylvanite	40,727	348,252
Teck-Hughes	16,840	256,340
Toburn	11,315	132,753
Upper Canada	29,513	325,297
Wright-Hargreaves	45,780	792,700
Total	280,468	3,746,171
Larder Lake:		
Chesterville	76,083	324,186
Kerr-Addison	190,781	1,359,761
Total	266,864	1,683,947
Matachewan:		
Matachewan Consol.	59,505	208,393
Young-Davidson	36,397	106,421
Total	95,902	314,814
Sudbury:		
Renabie	19,532	200,756
Patricia Portion:		
Berens River	......	108,045
Central Patricia	27,629	345,769
Cochenour Willans	17,368	198,889
Hasaga	30,386	217,605
Madsen Red Lake	37,622	292,371
McKenzie Red Lake	20,310	216,798
McMarmac Red Lake	5,964	44,838
Pickle Crow	25,288	363,896
Total	164,567	1,788,211
Thunder Bay:		
Hard Rock	26,611	155,387
Leitch	8,571	246,872
Little Long Lac	22,570	202,236
MacLeod-Cockshutt.	55,262	342,722
Magnet	5,484	75,033
Total	118,498	1,022,250
Miscellaneous	......	1,000
Total	1,969,179	17,110,019

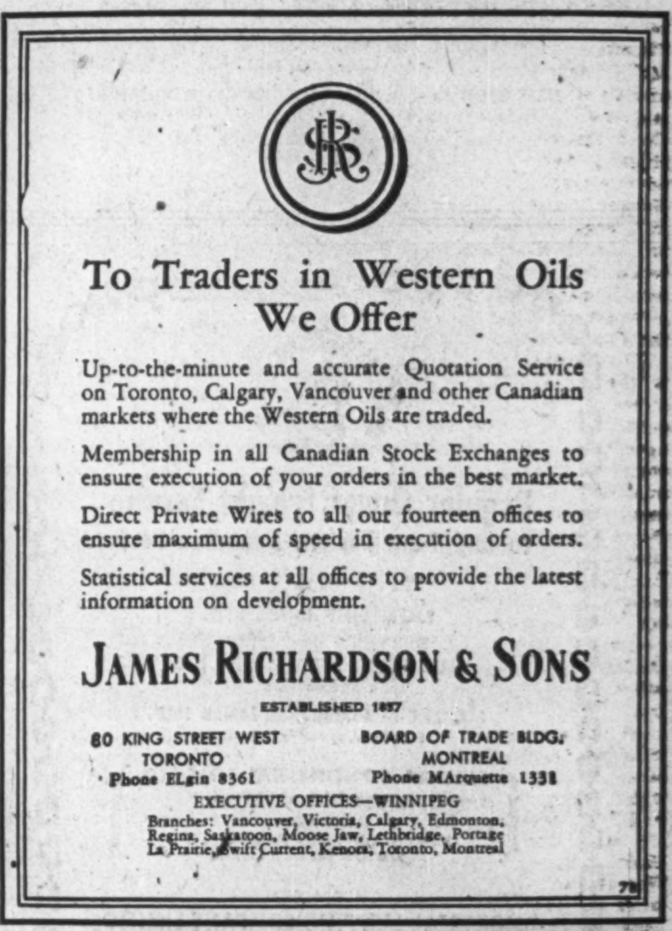
Granleduc Gets Third Well In Lloydminster

The third straight success in the Blackfoot section of the Lloydminster field has been scored by Granleduc Oils through coring rich oil sands at 1,969 to 1,975 ft. in No. 3 well. The new well is a southerly offset to Granleduc No. 1 and No. 2 already in production in lsd 7, section 14, twp. 50, range 2w4th.

The three wells are reported to be less than three-quarters of a mile south of acreage on which Imperial Oil is currently completing a six-well program.



Completion of headframe at Canadian Johns-Manville's world's largest asbestos mines at Asbestos, Que., heralds J-M departure from open-pit to underground mining. The headframe, housing rockbored shaft 1,021 ft. deep, is first of its type built in the world by the sliding-form method. Foundation Co. of Canada was contractor.



Dr. Furnival Moves From Mines To Oils

From Our Own Correspondent

Winnipeg—Dr. G. M. Furnival, Manitoba director of mines, has resigned to accept a position with California Standard Oil Co. He was employed by the company in January, 1946, when he was appointed by the Manitoba Government. Headquarters in his new post will be in Calgary.

SILANCO MINING & REFINING CO. is testing its ore for uranium, with first trials being conducted on the cobalt ores on the Aguanico property. The Beaver-Temiskaming mine is being dewatered to 575 ft. to start mining of a reportedly high-grade silver ore shoot. Electric furnace for the smelter unit has arrived and has been installed on foundations.

MINING CONCENTRATES

AERO PROSPECTING SYND. is to start a drilling program with its own equipment this month on holdings at Werner and Red Lakes in the Lynn Lake area, Man.

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ANGLO-ROUYN MINES continues to encounter high-grade ore in south drift on 900-ft. level, officials state. A 146-ft. length averaging 0.50 oz. across average width of 6.7 ft. has been established. Last face was still in ore.

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BASE METAL MINING CORP. treated a record tonnage of ore in March with the mill handling 3,200 tons of ore averaging 12.04% zinc and 0.92% lead. Zinc concentrates produced amounted to 570.8 tons, averaging 60.9% zinc with 27.9 tons of lead concentrates averaging 62.2% lead. Ten cars of zinc concentrates and one car of lead concentrates were shipped to the smelter. Operating profit in March was estimated at over $20,000.

• • •

BI-ORE MINES expects to net in excess of $13,000 from three carloads of copper concentrates shipped to the smelter from its Mississagi Forest Reserve property. The company is planning to install additional milling equipment, which should permit shipment of three carloads of copper concentrates weekly.

• • •

CENTRIX YELLOWKNIFE MINES plans to trench the more promising veins for channel sampling and drilling this summer. Work last season was done late in the year, and early freeze-up prevented systematic sampling.

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DOME MINES bullion production totaled $456,608 from treatment of 52,000 tons of ore, an average recovery of $8.78 gold per ton in April ($466,260 from 53,800 tons and $8.67 recovery in March).

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GULF LEAD MINES has carried No. 2 drill hole to depth of 575 ft. on its Hudson's Bay property. A well mineralized section, containing chalcopyrite, sphalterite and galena, was encountered at 450 to 467 ft. The 17-ft. section is reported to resemble closely the 5-ft. section cut in hole 1. Hole 3 has been spotted 500 ft. east of No. 2 and 1,000 ft. east of No. 1.

• • •

GOLDVUE MINES has received payment for May 13 installment of 50,000 shares at 15 cents a share. Issued capital is 3,462,005 shares.

HUCLIFF PORCUPINE MINES has purchased the Rouyn twp., Que., claims from LaRose-Rouyn Mines and is now negotiating to obtain necessary working capital to start development: Officers are: H. H. Sutherland, president; C. C. Richardson, vice-president; Geo. McKeown, secretary-treasurer; R. V. Curtis and R. A. Cranston, directors.

• • •

HEVA GOLD MINES June 5 underwriting of 50,000 shares at 10 cents a share has been anticipated. By May 4 agreement with Dunlo Investors Ltd., 50,000 shares have been underwritten at 10 cents, payable by July 1 and options granted on 200,000 shares at 10 cents and 250,000 shares at 15 cents. Issued capital is 3.5 million shares.

• • •

INTERNATIONAL NICKEL CO OF CANADA has declared a dividend of 40 cents per common share, payable June 21 to shareholders of record May 25.

• • •

MACLEOD-COCKSHUTT GOLD MINES reports bullion production of $342,723 from treatment of 55,262 tons of ore, an average recovery of $6.20 gold per ton in three months ended March 31 ($349,230 from 46,582 tons and $7.50 recovery same quarter 1947).

• • •

MADSEN RED LAKE GOLD MINES bullion production totaled $292,745 from treatment of 37,622 tons of ore, an average recovery of $7.78 per ton in March quarter.

• • •

RUPUNUNI GOLD MINING (CANADA) has received payment for May 7 installment of 166,667 shares at 15 cents a share. Issued capital—4,383,339 shares.

• • •

SIGMA MINES (QUEBEC) reports bullion output of $198,466 from handling 33,625 tons of ore and an average recovery of $5.90 per ton in April ($201,320 from 34,392 tons and $5.85 gold in March).

COMPANY REPORTS

VULCAN-BROWN PETROLEUMS production revenue increased approximately $20,000 to $81,212 in 1947, reflecting increase of 70 cents per bbl. in Turner Valley crude oil. Substantially higher operating expenses, increased write-offs for depletion and taxes left profits about $3,000 higher at $16,538.

Investigation of company well last year by Brown, Moyer & Brown Ltd. resulted in adoption of an entirely new plan of operation for the well, including recycling of gas to the producing formation by installation of a compressor system. Tests are now being made and with further adjustments and improvements effected directors are confident that material benefits will result, President R. A. Brown states.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Prod'n revenue	$81,212	$60,398
Less: Royalties	22,701	20,769
Add: Other rev.	1,175	1,403
Total net rev.	59,686	41,032
Less: Oper. exps.	20,619	8,916
Depreciation	994	541
Depletion	12,299	10,109
Inc. taxes	9,236	8,194
Net profit & surplus	16,538	13,272
Earned per Share	$0.020	$0.016
Paid	....	*0.06

*Return of capital.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bonds	$17,823	$8,262
Accts., etc., rec.	15,584	3,412
Mater. & supplies	145	248
Total curr. assets	33,552	11,922
Def. & prep. chgs.	2,346	102
Investments (cost)	75,411	81,633
Development acct.	169,761	169,762
Leases (cost)	132,433	132,433
Prod. equip. (cost)	49,153	30,631
Total assets	462,656	426,483
Accts., etc., pay.	7,059	2,260
Taxes pay.	5,737	3,894
Total curr. liab.	12,796	6,154
Royalties o/s	52,000	52,000
Deprec. reserve	29,194	28,500
Deplet. reserve	112,848	100,549
Devel. reserve	140,336	140,336
Capital stock	140,533	140,533
Deficit	25,051	41,589
Working capital	20,756	5,768

OIL PRODUCTION

Texaco-McColl Starting $3.5 Million Oil Test

From Our Own Correspondent

CALGARY — Texas Co. and its Canadian affiliate, McColl-Frontenac Oil Co., have completed the agreement and set up the organization for spending $3.5 millions on a joint exploration and development program in Alberta.

The program will be directed by Edwin H. Hunt, who came to Calgary in December, 1939, on loan from Texas Co., and who has since directed McColl-Frontenac's western Canadian exploration. Immediately prior to coming to Canada, Mr. Hunt was Texaco's division geologist at Denver, Col.

Assistant manager of the big project will be T. W. G. "Tim" Thomson, a Briton who joined McColl-Frontenac 17 years ago, and prior to coming to Calgary last year, was in charge of McColl's operations in Trinidad. Dr. Hugh H. Beach has been appointed chief geologist for the project. He was formerly district geologist in charge of the Foothills phase of McColl-Frontenac's Alberta work. Dr. Beach is a Canadian who joined McColl in 1943, after a lengthy period of service with the Dominion Geological Survey.

The "operator" of the project is the Texaco Exploration Co., a recently incorporated New York subsidiary of Texas Co. Base of operations in Calgary, where the company shares recently enlarged quarters with the exploration department of McColl-Frontenac. Other companies at the same offices are the Red Indian Exploration Co., a wholly-owned subsidiary of McColl-Frontenac; and the Frontex Exploration & Development Co., owned equally by McColl and Texas Co. A district office has been set up at Edmonton.

At present the joint operation involves exploration of 1,053,726 acres of Crown and freehold oil rights leased or reserved by McColl-Frontenac, stretching for 115 miles through the "Alberta Basin" region from the Ponoka-Wetaskiwin area to a point 60 miles northwest of Edmonton. Also included is McColl's 20% stake in the 200,000-acre Muskeg reservation in the northern Foothills, where a million dollar-plus wildcat drilling project is under way.

Texas Co., effective last Nov., provided $3.5 millions for the exploration and development of these rights, and such others as may be jointly added. Should production be obtained, proceeds will be shared equally by Texaco and McColl. The latter company has the right to purchase at going field prices Texaco's share of any production.

The big exploration program is now well advanced. Five Seismograph parties are in the field, including three Heiland Exploration Co. contract crews, and two Texas Co. parties. All are working on the "Alberta Basin" holdings.

It is planned to keep three to four drilling rigs in operation. This number would be expanded, of course, in event of discovery. Currently the most interesting drilling project is the Texaco-McColl Calmar No. 1 wildcat, southwest of the Leduc field. That well is now at 5,065 ft., coring for next objective (D2 zone). The team's Majeu Lake wildcat is waiting improvement of road conditions to permit moving in of balance of drilling rig. The team's Stony Plain wildcat was recently completed as a failure, but the rig will go to a new location not yet announced when road conditions permit.

* * *

McColl-Union Deal

The exploration team of McColl-Frontenac Oil Co. and Union Oil Co. of California last week announced commencement of its 1948 program in the Pakowki Lake region in the southeast corner of Alberta. Drilling contract has been let to Northern Development Co. (C. E. Mills) for a series of three exploratory wells. There may be additions to the program later in the season. First 1948 venture will be a wildcat about 20 miles southeast of the team's Manyberries Gasfield, discovered last year.

The McColl-Union team commenced its Pakowki region exploration in 1946 and so has established important but not yet fully-defined natural gas reserves. The team discovered the Pendant d'Oreille gasfield in 1946, following up with the Manyberries and Smith Coulee gasfield discoveries in 1947, and with extension of the Pinhorn gasfield previously discovered by McColl-Frontenac.

The team currently has under lease or reservation in the region 428,561 acres, the bulk of it as yet unexplored. So far the team has proven for gas production a total of 75,000 acres. Fifteen gas wells with a combined open flow potential of between 170 and 200 million cu. ft. daily have been completed (and capped pending an outlet for the gas). More than that number of exploratory wells have been abandoned as unproductive. The gas reserves so far proven are estimated as 340 billion cu. ft.

* * *

Royalties Discussed

The Alberta Board of Public Utilities Commissioners believes that, with the possible exception of Turner Valley, no oil field in the province has yet demonstrated its ability to pay off with a net profit if wells are subjected to a royalty in excess of 15% of gross proceeds.

Chairman Blackstock said that, as a general principle, the Board will not approve offerings of oil stocks or securities designed to raise funds for exploration or development, if the oil rights involved are subject to more than a total of 15% royalty. The maximum allowed royalty will be approved at higher rates only if the Board's investigations indicate a good prospect for ultimate profit after taking into consideration all cost factors. These include the cash and/or stock consideration for the property, costs of drilling, equipping and producing, the present and likely future price of oil, and the likely taxes payable on the property and from proceeds of production.

In other words, the Board will not approve sale of securities in Alberta unless it believes there is a reasonable prospect of the investor making a profit, should production be obtained. So far as Leduc is concerned, the Utilities Board believes that not sufficient is known to warrant its approval of security offerings involving Leduc area rights subject to more than 15% gross royalty.

No Mine Closure Planned at Jason

Secretary E. Grahame Joy announces that Jason Mines has no intention of closing down its Casummit Lake property. Directors have already commenced negotiations for additional financing to permit resumption of milling.

Favorable results in current development program leave little doubt as to the successful culmination of present negotiations for financing, Mr. Joy states.

Ogama's Mill Turning Over

The 150-ton daily capacity mill of the Gunnar financed Ogama-Rockland Gold Mines has been completely installed and is ready to turn over as soon as power from the main line has been cut in. The loan of $325,000 from Gunnar Gold Mines is repayable at the rate of $25,000 a month, beginning second month after the mill is in operation.

Ore reserves on six levels to 750-ft. depth have been estimated by the management at 57,000 tons, grading slightly less than a half ounce, with estimate expected to be duplicated on three lower levels.

Proposals have been made for sinking a second shaft to develop two veins located by surface drilling at a point southwest of the main shaft.

Duquesne May Ship Ore; Plans Capital Changes

Negotiations are being conducted by Duquesne Mining Co. for milling of 100 tons of ore daily on a custom basis at a neighboring mill, President C. Glenn Hunter states. If certain grinding and metallurgical tests can be worked out, and if improvements to the mill can be made satisfactorily, it is anticipated that Duquesne ore can be treated at this mill on a profitable basis.

In the meantime, company has called a special general meeting of shareholders May 22 to seek approval of change of corporate name to Consolidated Duquesne Mining Co., and to a reorganization of capital on a one-new-for-three-old share basis.

Consulting engineer Alan C. Lee states that as a result of underground work, enough ore has been placed in sight to support a 100-ton mill for 3¼ years. During 1947 drifting was carried out on five levels, 250-, 375-, 500-, 625- and 750-ft., largely to the west of the shaft, except for a small amount done at east end of 375-ft. level. Probable and possible ore reserves are estimated at 117,434 tons averaging $12.88 per ton.

The company made a test shipment of 1,000 tons of ore to the Beattie mill in 1947, but metallurgical differences in the two types of ore, and treatment involved, made it impractical to ship ore to this mill.

Current assets were $24,757 and liabilities $42,609 at Dec. 31, 1947.

MINING CONCENTRATES

BEAR EXPLORATION & RADIUM shares were removed from trading on the Toronto Stock Exchange May 10. The company is being wound up voluntarily and Loren F. Hogg has been appointed liquidator. Shares are exchangeable into shares of Yellowknife Bear Mines on basis of six Yellowknife for each 10 shares of Bear Exploration.

* * *

CANADIAN MALARTIC GOLD MINES has declared a dividend of two cents a share, payable June 10 to shareholders of record May 19. The mill is currently handling 950 tons per day and a rate of 1,200 tons daily is expected by Sept. 1. Anticipating this tonnage, operating profit before write-offs and taxes for this year is estimated at $190,000; and the benefit under bill No. 7 is expected to be about $65,000.

* * *

CUYUNI GOLDFIELDS shareholders have approved a capital reorganization whereby present holders will receive one new Class "A" share for each five common shares held. A group of shareholders has also underwritten one million new shares at 50 cents a share with shareholders, in general, to be given the opportunity to subscribe for their proportion of the issue. Upon completion of the reorganization and sale of shares, if fully exercised, company will have sufficient funds to erase a liability of approximately $480,000 and will have operating capital of some $500,000.

* * *

GOLDALE MINES has declared a dividend of two cents a share, payable June 1 to shareholders of record May 15.

* * *

HEDLEY MONARCH GOLD MINES announces rearrangement of its air supply in connection with the new milling operation by sale of the 540-cu.-ft. compressor and acquisition of a new 220-ft. compressor. The new arrangement, with standby portable compressor on hand, will be suitable for the operation. Island Investment Co. reports that sale of company's debentures is going well and it is expected that an early start will be made in moving the new mill to the site chosen on the Sunrise claim.

* * *

HEVA GOLD MINES has received approval of Toronto Stock Exchange to listing of an additional 1.5 million shares, bringing total listings to five million shares.

* * *

NORSEMAN MINES advises that May 1 installment on 50,000 shares at 10 cents a share has not been exercised and balance of agreement with Wedlake Investments has been terminated.

* * *

QUEBEC MANGANESE MINES announces appointment of Walter A. Rukeyser as consulting engineer and M. J. O'Shaughnessy as resident engineer and mine manager.

* * *

PLURANIUM PROSPECTING SYND. advises that Manager E. B. James is now on the property heading an exploration crew with complete equipment including a Geiger counter. Latter equipment is to be used to test the property for presence of uranium or other radioactive minerals.

* * *

YELLOWKNIFE BEAR MINES shares were listed on the Toronto Stock Exchange May 10. Ticker abbreviation is YB.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

MATACHEWAN CONSOLIDATED MINES treating a greater tonnage of higher grade ore in 1947 showed an increase of $97,295 to $991,269 in gross production. After providing for increased operating costs and taxes final earnings were equal to 5.5 cents per share as against 5 cents per share in 1946.

President Thayer Lindsley states that while 1947 operations were satisfactory, certain factors applicable to future operations should be kept in mind. Production in recent years has been practically confined to mining of one large porphyry ore body in western section of the mine between 800- and 1,550-ft. horizons. Diamond drilling between the 1,550-ft. and 1,800-ft. levels indicates some restriction in the area of the ore body and a lower grade. An extensive diamond drilling program is now under way to determine conditions down to the 2,500-ft. horizon. A number of additional structures are to be explored on 1,800-ft. level.

Probable ore reserves of 960,600 tons at end of 1947 were equivalent at current rate of production to 3.7 years' milling.

Expenditures on outside exploration were nominal.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Metal sales	$991,269	$893,974
Less: Oper. exps.	730,175	650,697
Oper. profit	261,094	243,277
Add: Other inc.	6,452	[illegible]489
Total income	267,546	250,766
Less: Prov. for tax.	57,561	27,802
Def. dev. w/o	......	25,726
Depreciation	20,255	19,934
Outside explor.	825	8,353
Add: Prof. inv. sale	2,220	......
Prof. asset sale	......	1,000
Net profit	191,125	169,951
Less: Dividend	171,950	34,390
Surplus for year	19,175	135,561
Earned per share	$0.055	$0.05
Paid	0.05	0.01

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$434,000	$391,886
Dom. bonds	196,266	200,000
Mkt. secs.	199,614	181,298
Accts. rec.	7,864	4,303
Supplies	119,853	109,978
Total curr. assets	957,597	887,470
Prep. exp.	3,051	3,882
Misc. assets	18,986	17,986
Invests.	95,571	99,321
Property	335,700	335,700
Bldgs. & equip.*	48,270	65,642
Total assets	1,459,175	1,410,001
Total curr. liabs.	71,594	41,595
Capital stock	914,500	914,500
Earned surplus	473,081	453,906
*After deprec.	915,631	895,876
Working capital	484,516	845,875

OPERATING STATISTICS

	1947	1946
Tons milled	250,679	222,890
Average recov.	$3.95	$4.01
Ore reserves, tons	960,600	1,188,000
Grade ($35 gold)	$3.85	$3.89

BUFFALO ANKERITE GOLD MINES development and exploration in 1947 failed to increase ore reserves sufficiently to step up production and reserves finished approximately 24,000 tons below 1946. Company since year end has embarked on an accelerated development program, and drilling from crosscuts has already indicated ore possibilities in a new, undeveloped area.

Proceeds from bullion production dropped about $100,000 in 1947 and final net loss at $162,134 was up from $119,764 in 1946. Working capital dropped to $138,267 at year end but position is expected to be improved as result of offering of rights to shareholders in March, 1948.

Limited development was continued on outside holdings in 1947.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Bullion recovery	$1,284,857	$1,388,974
Less: Ore in solut. adj.	......	1,234
Oper. exp.	1,398,984	1,461,659
Operating loss	114,127	73,919
Less: Other inc.	7,753	8,209
Gross loss	106,374	65,710
Less: Depreciation	55,760	54,054
Net loss & deficit	162,134	119,764
Earnings per Share	d$0.21	d$0.16
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$76,450	$196,737
Govt. bonds	25,256	24,658
Accts. rec.	2,099	23,051
Stores at cost	129,459	141,774
Ore in solution	5,604	5,275
Total curr. assets	238,868	391,495
Prep. & def. chgs.	43,225	62,915
Shares & advs.	21,218	21,068
Mining props.	1,158,728	1,158,494
Plant & equip.▲	199,502	186,185
Mine develop.	93,277	53,571
Total assets	1,754,818	1,873,728
Total curr. liabs.	100,601	103,699
Capital stock	760,000	760,000
Capital surplus	615,896	615,896
Earned surplus	278,321	394,133
▲After depr. of	2,193,753	2,185,643
Working capital	138,267	287,796

OPERATING STATISTICS

	1947	1946
Tons milled	210,045	234,379
Average recov.	$6.12	$5.93
Ore reserves, tons	180,106	204,608
Grade ($35 gold)	$6.07	$6.92

FOUR STAR PETROLEUMS net profit was $44,796 in 1947, after charging $23,889 to depletion and depreciation ($31,555, after depletion charges of $15,532, in 1946). Increased revenue during the year reflected higher prices secured for Turner Valley crude.

Further investigation of methods to improve production from company's well have been conducted by Engineer R. A. Brown, and material benefits have again been effected. Current assets were $66,052 and liabilities $39,065 at Dec. 31.

ROYAL CREST PETROLEUMS, after charging operating expenses, development costs and depreciation, suffered a net loss of $236 in 1947, but income from bonds and rental of equipment erased the loss and left profit at nil. Net profit in 1946 was $170.

The company holds substantial acreage in the Jumping Pound field where Shell Oil Co. recently completed a successful gas well.

The year was 1847 ...

: : Malcolm McRae was beaten into unconsciousness, left in a ditch to die. He was a voter in the Third District, Prince Edward Island who had, the previous year, voted against certain members who were later unseated on charges of intimidation and violence.

Now a new election was called—but Malcolm McRae was warned *not to vote.* In those days he was not protected by the secret ballot—yet Malcolm McRae determined to set out for the polls, risking his life for the right to vote.

Today, because of the courage of men like Malcolm McRae, you run no risk at all in your free, unhampered exercise of the franchise.

When YOU cast your secret ballot at every election—municipal, provincial, federal—you exercise a duty and privilege planned, worked and fought for by your forefathers. Your vote protects the future of your children. To fail in this duty is to be less than a good citizen.

(Published in the Interests of Good Citizenship by

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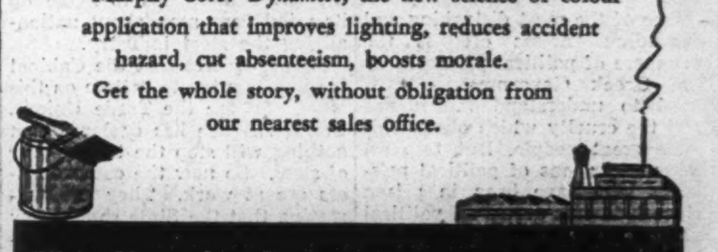

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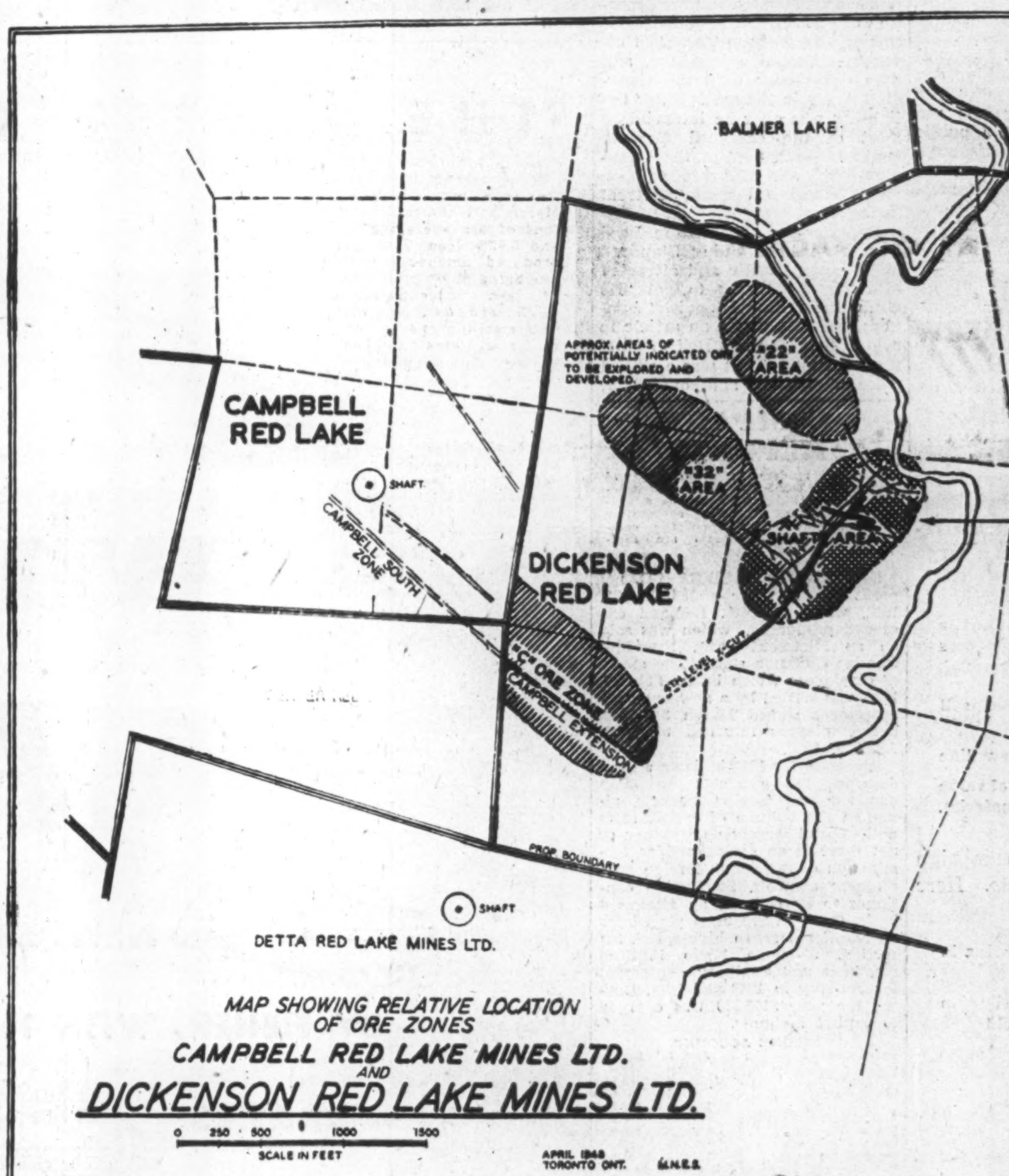

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The following are the estimated results:

Shaft Area .... 210,000 Tons, grading $12.00 to $15.00
"32" Area .... 150,000 Tons, grading $12.00 to $15.00
"C" Area.............................. 150,000 Tons, grading $20.00
"22" Area ...... ore indicated by Drilling—now being explored underground, with better than average results.

SHAFT AREA TONNAGE AND GRADE ARE POSITIVE: OTHERS ARE INDICATED BY DRILLING

The above estimates are the result of surface sampling, diamond drilling, shaft sinking, cross-cutting, drifting, raising and stoping at depths to 500 feet. There are no indications that favorable structure and commercial values will not persist to depth.

SUMMING UP

The Company has a 200-ton modern mill, paid for, now being erected, to be enlarged within a year to 300 tons, with an ultimate objective of 500 tons.

The Company has a substantial tonnage of good grade ore already developed, a larger tonnage indicated. It has adequate construction and operating supplies, abundant labor, good management.

Inquiries are Invited

WE RECOMMEND These Shares Without Qualification.

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Why Not Empire Parley in Canada? Nationalization Splits U. K. Socialists

LONDON—Anthony Eden, in the two-day foreign affairs debate, emerged as a new champion of Empire. Nothing should be done by Britain in the way of Western European union, he declared, without the Empire being in step. The Little Englanders are out of fashion these days. He wants a great Empire conference, presumably in London. But why not in Canada? There are not so many "noises off" in Canada as there are over here.

• • •

One of the most disturbing and degrading "noises off" is, the massacre of political prisoners by the Greek Government. It is hard to understand the hatred and the cruelty which obsess this once great people. But to start mass executions of political prisoners who have been in prison since 1944 cuts across all political and even security considerations, and becomes an outrage to the human conscience

• • •

Ernest Bevin did very badly in his opening speech. He read every word from a long brief and sent half the House asleep. Some of his friends say he is not well, but his voice was vibrant enough. Others contend that he has to be guarded in his utterances for fear he would really say what he thinks. At any rate, the House was bored and showed it.

• • •

Mr. Churchill has gone to the Hague at the head of an all-party delegation to discuss a Federal European Union. The Socialist Government does not approve of this example of private enterprise and tried to discourage its party members from following Churchill's chariot. In other words, the Socialists want unity on their own terms.

• • •

Shinwell in Trouble Over Nationalization

The irrepressible Mr. Shinwell is in trouble again. Nothing can stop him from saying what he thinks—and his thoughts are dangerous. Addressing a public meeting, he said that although nationalization had been the chief plank in the Socialist platform for half a century, the Socialists had no real idea how to carry it out when they came to power. This was regarded as low treason by his Cabinet colleagues, and at a secret meeting of the Parliamentary Labor Party he was violently attacked by a junior minister.

Although it was a hush-hush affair, the evening papers got the whole story, which proves that nothing can prevent Socialists leaking. Compared to them the Tories are as uncommunicative as a tortoise. The Shinwell speech is particularly embarrassing, as the government has to make up its mind very soon about nationalizing the steel industry.

It is no secret that the Cabinet is split from top to bottom on this issue. So are the Trade Unions. Yet Mr. Attlee has declared that nothing will stop the taking over of steel. So now the compromisers are at work. They are suggesting that the State should buy the shares of all the steel companies and then let the managements carry on the same as before. Strange as it may seem, this is probably what the Government will do.

The steel workers are by no means unanimous. They say that under nationalization, with its remote central board of control, the Unions cannot get action as in the bad old days when the owners and the Unions would hammer it out across a table. The impersonal nature of nationalization is beginning to chill the workers, just as the increasing cost of nationalized production is worrying the manufacturer. Therefore you will understand why Mr. Shinwell is in disgrace. This is no time for frankness.

• • •

Canadian Writer In London Limelight

A young Torontonian named Milton Shulman has sprung into fame in London, and shows promise of a brilliant journalistic career. He went to Toronto University, became a barrister, and then came over with the Canadian Army in the war. After the fighting was over he interviewed most of the captured German generals on behalf of the Canadian Army and then wrote a book about it called, I think, "Retreat in the West."

Recently he appeared in Lord Beaverbrook's Evening Standard as its cinema critic and attracted attention by trying to get "No Orchids for Miss Blandish" banned; and then wrote an article to argue that female British film stars cannot act. It was a skilful piece of writing and, overnight, Mr. Shulman has attracted a big public.

Apparently he wrote a series of articles some time ago for the Toronto Star for which he received $5 each. It was no doubt this dazzling rate of payment which began to turn his eyes from the bar to the glittering rewards of journalism. If he keeps his head, he will soon be in the big money over here.

• • •

Another brilliant young Canadian journalist, Eric Gibbs, has been appointed head of the London Bureau of Time, Life and Fortune. Perhaps it is the fact that the Canadian sees the London scene with fresh eyes, that makes him readable.

• • •

It is impossible to keep Canada out of these notes today so I must tell you that the Duke of Edinburgh is to be the guest of honor at the Canada Club Dinner on July 1. This date, as you may remember, commemorated Dominion Day but since Canada is no longer a Dominion, the anniversary will have to find another name. Probably "Canada Day" will be the answer.

Summer has returned again after a few cold days. In fact, we have so much sunshine in Britain now that our blood will begin to thin like the Californians'. Unless, of course, the climate reverts to form and we have winter in August.

It looks as if the Australian cricket team will go through its series without losing a match in England. In my opinion we ought to refuse to play the Aussies any more, and take on Canada instead. Even then, we should insist that no one named Bradman should be allowed to play for the Canadians, even if he could prove that he was born in New Brunswick.

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(name on request)

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MACLEAN-HUNTER Publishing Company Limited, Toronto—Montreal (Merchandising Newspapers Division)

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BUTTERFLY HOSIERY CO. net profit for the year ended Jan. 3, 1948, was up 84.4%. Demand exceeded production, which was sold on an allotment basis, President Charles Chipman states. The strike of employees which began Feb. 16, 1948, was settled by a new one-year agreement signed March 31, 1948, and employees returned to work April 5, 1948.

Prospects for 1948 indicate a good demand for products in both domestic and foreign markets, although the volume of export sales will depend largely on whether or not there is an easing and/or termination of restrictive foreign government controls. Production continues to be sold on an allotment basis. Orders have been placed for an additional seven high-speed, 32-section, 51-gauge Kalio knitting machines and auxiliary equipment for delivery in 1948 and 1949. During the year $145,330 was charged to capital accounts.

INCOME ACCOUNT

Years Ended:	Jan. 3 1948	Dec. 28 1946
Net income	$411,444	$249,073
Less: Deprec.	38,143	31,630
Inc. tax res.	180,378	113,524
Add: Prof. on assets	11,340	6,609
Net profit	204,263	110,528
Less: Dividends	93,685	50,573
Surplus for year	110,578	59,955
Earnings per Share and Dividend Record:		
Common*	$1.88	$1.01
Paid	0.70+0.15	0.45

*After deducting pref. divds.

CONDENSED BALANCE SHEET

As at:	Jan. 3 1948	Dec. 28 1946
Cash & Dom. bonds	$344,071	$268,838
Accts. rec.	172,657	200,532
Investments†	......	22,720
Inventories	289,993	267,328
Total curr. assets	806,721	759,418
Other secur.	3,000	3,000
Misc. assets	67,382	56,081
Fixed assets*	314,533	208,135
Total assets	1,191,636	1,026,634
Accts. & taxes pay.	218,353	145,437
Other curr. liab.	......	18,492
Total curr. liab.	218,353	163,929
Capital stock	137,380	137,380
Capital surplus	57,120	57,120
Earned surplus▲	778,783	668,205
*After deprec. of	739,345	704,833
▲Incl. ref. EPT	32,257	32,257
†Market value	......	33,375
Working capital	588,368	595,489

NOVA SCOTIA TRUST CO. gross earnings for year ended Feb. 28, 1948, amounted to $162,718. After providing for management expenses, the usual 7% dividend on the capital stock and a further reduction for Dominion and provincial taxes, depreciation, etc., a balance of $27,368 was carried forward to profit and loss account.

Assets now total $19,509,816—an increase of more than $750,000. During the year the gross increase of assets in new estates, trust and agency accounts under administration amounted to over $3.1 millions, while $2,342,000 was disbursed in course of trust administration.

To accommodate expanding business in the Annapolis Valley and Western Nova Scotia, the company opened branch offices in Kentville, N.S., and Yarmouth, N.S.

	1948	1947
Liab. to public, etc.*	$2,719,865	$2,613,567
Shareholders' equity	852,368	837,039
*Secured by:		
Mtges. & sls. agree.	1,570,817	1,326,982
Office premises	79,671	74,342
Realty for sale	13,678	13,678
Liquid assets‡	1,908,067	2,035,604
Total	3,572,233	3,450,606
‡Including bonds and stocks.		
Estates account	15,937,583	15,301,379
Earned per share	$10.07	$10.18
Paid	7.00	7.00

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